

107TH CONGRESS  
1ST SESSION

# S. 1571

To provide for the continuation of agricultural programs through fiscal year 2006.

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IN THE SENATE OF THE UNITED STATES

OCTOBER 18, 2001

Mr. LUGAR introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

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## A BILL

To provide for the continuation of agricultural programs through fiscal year 2006.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Farm and Ranch Equity Act of 2001”.

6 (b) TABLE OF CONTENTS.—The table of contents of  
7 this Act is as follows:

Sec. 1. Short title; table of contents.

### TITLE I—COMMODITY PROGRAMS

Sec. 101. Short title.

Sec. 102. Purposes.

Subtitle A—Farm Financial Protection

- Sec. 111. Definitions.
- Sec. 112. Risk management contract.
- Sec. 113. Whole farm revenue insurance.
- Sec. 114. Risk management stabilization accounts.
- Sec. 115. Risk management options available in marketplace.
- Sec. 116. Conforming amendments.

#### Subtitle B—Phase Out of Commodity Programs

- Sec. 121. Prohibition on agricultural price support and production adjustment.
- Sec. 122. Agricultural Market Transition Act.
- Sec. 123. Agricultural Adjustment Act of 1938.
- Sec. 124. Commodity Credit Corporation Charter Act.
- Sec. 125. Agricultural Act of 1949.
- Sec. 126. Agricultural Adjustment Act.
- Sec. 127. Agricultural Act of 1970.
- Sec. 128. General commodity provisions.
- Sec. 129. Specific commodity provisions.
- Sec. 130. Effect of amendments.
- Sec. 131. Crop.

### TITLE II—CONSERVATION

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- Sec. 201. Environmental quality incentives program.
- Sec. 202. Conservation reserve program.
- Sec. 203. Wetlands reserve program.
- Sec. 204. Farmland and grassland protection program.
- Sec. 205. Wildlife Habitat Incentive Program.

#### Subtitle B—Miscellaneous Reforms and Extensions

- Sec. 211. Privacy of personal information relating to natural resources conservation programs.
- Sec. 212. Reform and consolidation of conservation programs.
- Sec. 213. Certification of private providers of technical assistance.
- Sec. 214. National environmental benefits index.
- Sec. 215. Extension of conservation authorities.
- Sec. 216. Technical amendments.
- Sec. 217. Effect of amendments.

### TITLE III—TRADE

#### Subtitle A—Agricultural Trade Development and Assistance Act of 1954 and Related Statutes

- Sec. 301. Levels of assistance.
- Sec. 302. Food Aid Consultative Group.
- Sec. 303. Assistance for stockpiling and rapid transportation, delivery, and distribution of shelf-stable prepackaged foods.
- Sec. 304. Prepositioning.
- Sec. 305. Expiration date.
- Sec. 306. Micronutrient fortification pilot program.
- Sec. 307. Farmer-to-farmer program.
- Sec. 308. Bill Emerson Humanitarian Trust.

### Subtitle B—Agricultural Trade Act of 1978

- Sec. 321. Export credit guarantee program.
- Sec. 322. Market access program.
- Sec. 323. Export enhancement program.
- Sec. 324. Foreign market development cooperator program.
- Sec. 325. Food for progress.
- Sec. 326. Exporter assistance initiative.

### Subtitle C—Miscellaneous Agricultural Trade Provisions

- Sec. 331. Emerging markets.
- Sec. 332. Sense of the Senate concerning unilateral sanctions.
- Sec. 333. Biotechnology and agricultural trade program.
- Sec. 334. Dairy export incentive program.

## TITLE IV—NUTRITION PROGRAMS

- Sec. 401. Short title.

### Subtitle A—Food Stamp Program

- Sec. 411. Categorical eligibility for recipients of cash assistance.
- Sec. 412. Disregarding of infrequent and unanticipated income.
- Sec. 413. Simplified treatment of individuals complying with child support orders.
- Sec. 414. Coordinated and simplified definition of income.
- Sec. 415. Exclusion of interest and dividend income.
- Sec. 416. Alignment of standard deduction with poverty line.
- Sec. 417. Simplified dependent care deduction.
- Sec. 418. Alternative procedures to assist elderly and disabled persons.
- Sec. 419. Simplified determination of housing costs.
- Sec. 420. Simplified determination of utility costs.
- Sec. 421. Simplified determination of earned income.
- Sec. 422. Simplified determination of deductions.
- Sec. 423. Simplified resource eligibility limit.
- Sec. 424. Exclusion of licensed vehicles from financial resources.
- Sec. 425. Exclusion of retirement accounts from financial resources.
- Sec. 426. Coordinated and simplified definition of resources.
- Sec. 427. Alternative issuance systems in disasters.
- Sec. 428. Simplified reporting systems.
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#### Subtitle B—Miscellaneous Provisions

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Sec. 452. Work requirement for legal immigrants.

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Sec. 505. Guarantee percentage for beginning farmers and ranchers.

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- Sec. 601. Full funding of pending rural development loan and grant applications.
- Sec. 602. Broadband access for rural America.
- Sec. 603. Value-added agricultural product market development grants.
- Sec. 604. National Rural Development Information Clearinghouse.
- Sec. 605. White House Conference on Rural America.
- Sec. 606. Bioenergy and biochemical projects.

### Subtitle B—National Rural Development Partnership

- Sec. 611. Short title.
- Sec. 612. National Rural Development Partnership.

### Subtitle C—Consolidated Farm and Rural Development Act

- Sec. 621. Water or waste disposal grants.
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- Sec. 624. Rural development assistance organizations.
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- Sec. 626. Water and waste facility grants for Native American tribes.
- Sec. 627. Water systems for rural and native villages in Alaska.
- Sec. 628. Rural cooperative development grants.
- Sec. 629. Value-added intermediary relending program.
- Sec. 630. Use of rural development loans and grants for other purposes.
- Sec. 631. Simplified application forms for loan guarantees.
- Sec. 632. Grants for emergency weather radio transmitters.
- Sec. 633. Programs for rural seniors.
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- Sec. 635. Delta Regional Authority.
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### Subtitle D—Food, Agriculture, Conservation, and Trade Act of 1990

- Sec. 641. Alternative Agricultural Research and Commercialization Corporation.
- Sec. 642. Telemedicine and distance learning services in rural areas.

### Subtitle E—Miscellaneous Rural Development Provisions

- Sec. 651. Guarantees for bonds and notes issued for electrification or telephone purposes.
- Sec. 652. Expansion of 911 access.

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- Sec. 661. Senate confirmation requirement for Rural Utilities Service Administrator.

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TITLE VII—AGRICULTURAL RESEARCH, EDUCATION, AND  
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- Sec. 701. Definitions.
- Sec. 702. National Agricultural Research, Extension, Education, and Economics Advisory Board.
- Sec. 703. Grants and fellowships for food and agricultural sciences education.
- Sec. 704. Policy research centers.
- Sec. 705. Nutrition education program.
- Sec. 706. Animal health and disease research programs.
- Sec. 707. Education grants programs for Hispanic-serving institutions.
- Sec. 708. Competitive grants for international agricultural science and education programs.
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- Sec. 710. Research equipment grants.
- Sec. 711. Agricultural research programs.
- Sec. 712. Extension education.
- Sec. 713. Special authorization for biosecurity planning and response.
- Sec. 714. Availability of competitive grant funds.
- Sec. 715. Joint requests for proposals.
- Sec. 716. Supplemental and alternative crops.
- Sec. 717. Aquaculture.
- Sec. 718. Rangeland research.

Subtitle B—Food, Agriculture, Conservation, and Trade Act of 1990

- Sec. 731. National genetic resources program.
- Sec. 732. High-priority research and extension initiatives.
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- Sec. 736. Assistive technology program for farmers with disabilities.

Subtitle C—Agricultural Research, Extension, and Education Reform Act of  
1998

- Sec. 741. Initiative for Future Agriculture and Food Systems.
- Sec. 742. Partnerships for high-value agricultural product quality research.
- Sec. 743. Precision agriculture.
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- Sec. 745. Thomas Jefferson Initiative for Crop Diversification.
- Sec. 746. Integrated research, education, and extension competitive grants program.
- Sec. 747. Support for research regarding diseases of wheat and barley caused by *fusarium graminearum*.
- Sec. 748. Office of Pest Management Policy.

Subtitle D—Land-Grant Funding

CHAPTER 1—1862 INSTITUTIONS

- Sec. 751. Carryover.
- Sec. 752. Reporting of technology transfer activities.
- Sec. 753. Compliance with multistate and integration requirements.

## CHAPTER 2—1994 INSTITUTIONS

- Sec. 754. Extension at 1994 Institutions.
- Sec. 755. Equity in Educational Land-Grant Status Act of 1994.
- Sec. 756. Eligibility for integrated grants program.

## CHAPTER 3—1890 INSTITUTIONS

- Sec. 757. Authorization percentages for research and extension formula funds.
- Sec. 758. Carryover.
- Sec. 759. Reporting of technology transfer activities.
- Sec. 760. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.
- Sec. 761. National research and training centennial centers.
- Sec. 762. Matching funds requirement for research and extension activities.

## CHAPTER 4—LAND-GRANT INSTITUTIONS IN INSULAR AREAS

- Sec. 771. Distance education grants program for insular area land-grant institutions.
- Sec. 772. Matching requirements for research and extension formula funds for insular area land-grant institutions.
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## CHAPTER 5—LAND-GRANT INSTITUTIONS

- Sec. 776. Priority-setting process.

## Subtitle E—Other Laws

- Sec. 781. Critical agricultural materials.
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- Sec. 783. Federal agricultural research facilities.
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- Sec. 785. Risk management education for beginning farmers and ranchers.
- Sec. 786. Aquaculture.
- Sec. 787. Biomass research and development.

## Subtitle F—New Authorities

- Sec. 791. Definitions.
- Sec. 792. Regulatory and inspection research.
- Sec. 793. Emergency research transfer authority.
- Sec. 794. Review of Agricultural Research Service.
- Sec. 795. Technology transfer for rural development.
- Sec. 796. Beginning farmer and rancher development program.
- Sec. 797. Sense of Congress regarding doubling of funding for agricultural research and increasing capacity for research on biosecurity and animal and plant health diseases.
- Sec. 798. Rural policy research.
- Sec. 798A. Priority for farmers and ranchers participating in conservation programs.

## Subtitle G—Administration

- Sec. 799. Effect of amendments.

## TITLE VIII—FORESTRY

- Sec. 801. Office of International Forestry.
- Sec. 802. Renewable resources extension activities.
- Sec. 803. Forestry incentives program.
- Sec. 804. Sustainable forestry assistance program.

#### TITLE IX—ENERGY

- Sec. 901. Carbon sequestration demonstration program.

#### TITLE X—MISCELLANEOUS

##### Subtitle A—Agriculture Infrastructure Security

- Sec. 1001. Agriculture Infrastructure Security Fund.
- Sec. 1002. Agriculture Infrastructure Security Commission.

##### Subtitle B—Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers

- Sec. 1011. Outreach and assistance for socially disadvantaged farmers and ranchers.

## 1                   **TITLE I—COMMODITY** 2                   **PROGRAMS**

### 3   **SEC. 101. SHORT TITLE.**

4           This title may be cited as the “Farm Financial Pro-  
5   tection Act”.

### 6   **SEC. 102. PURPOSES.**

7           The purposes of this title are—

- 8           (1) to encourage producers to select strategies
- 9           for managing risk in the farming or ranching oper-
- 10          ation of the producer by providing financial assist-
- 11          ance that can be applied to the risk management
- 12          strategy that the producer believes best addresses
- 13          the unique financial, business, and agricultural con-
- 14          ditions of the farm or ranch of the producer; and
- 15          (2) to provide new programs that—



- 1 (A) allow producers to address the risk  
2 management strategies that best suit the farm-  
3 ing or ranching operation of the producer; and  
4 (B) do not distort commercial markets and  
5 are consistent with international obligations of  
6 the United States.

7 **Subtitle A—Farm Financial**  
8 **Protection**

9 **SEC. 111. DEFINITIONS.**

10 In this subtitle:

11 (1) ADJUSTED GROSS REVENUE.—The term  
12 “adjusted gross revenue” means the adjusted gross  
13 income for all agricultural enterprises of a producer  
14 in an applicable year, excluding revenue earned from  
15 nonagricultural sources, as determined by the  
16 Secretary—

17 (A) by taking into account gross receipts  
18 from the sale of crops and livestock on all agri-  
19 cultural enterprises of the producer, including  
20 insurance indemnities resulting from losses in  
21 the agricultural enterprises;

22 (B) by including all farm payments paid by  
23 the Secretary for all agricultural enterprises of  
24 the producer, including—

1 (i) a voucher received under section  
2 112; and

3 (ii) any marketing loan gains de-  
4 scribed in section 1001(3)(A) of the Food  
5 Security Act of 1985 (7 U.S.C.  
6 1308(3)(A));

7 (C) by deducting the cost or basis of live-  
8 stock or other items purchased for resale, such  
9 as feeder livestock, on all agricultural enter-  
10 prises of the producer; and

11 (D) as represented on—

12 (i) a schedule F of the Federal income  
13 tax returns of the producer; or

14 (ii) a comparable tax form related to  
15 the agricultural enterprises of the pro-  
16 ducer, as approved by the Secretary.

17 (2) AGRICULTURAL COMMODITY.—The term  
18 “agricultural commodity” means any agricultural  
19 commodity, food, feed, fiber, or livestock.

20 (3) AGRICULTURAL ENTERPRISE.—The term  
21 “agricultural enterprise” means the production and  
22 marketing of all agricultural commodities (including  
23 livestock but excluding tobacco) on a farm or ranch.

24 (4) APPLICABLE YEAR.—The term “applicable  
25 year” means the year during which the producer

1 elects to receive a voucher under a risk management  
2 contract.

3 (5) AVERAGE ADJUSTED GROSS REVENUE.—

4 The term “average adjusted gross revenue” means—

5 (A) the average of the adjusted gross rev-  
6 enue of a producer for each of the preceding 5  
7 taxable years; or

8 (B) in the case of a beginning farmer or  
9 rancher or other producer that does not have  
10 adjusted gross revenue for each of the pre-  
11 ceding 5 taxable years, the estimated income of  
12 the producer that will be earned from all agri-  
13 cultural enterprises for the applicable year, as  
14 determined by the Secretary.

15 (6) PRODUCER.—The term “producer” means  
16 an individual or entity, as determined by the Sec-  
17 retary for an applicable year, that—

18 (A) shares in the risk of producing, or pro-  
19 vides a material contribution in producing, an  
20 agricultural commodity for the applicable year;

21 (B) has a substantial beneficial interest in  
22 the agricultural enterprise in which the agricul-  
23 tural commodity is produced;

24 (C)(i) during each of the preceding 5 tax-  
25 able years, has filed—

1 (I) a schedule F of the Federal in-  
 2 come tax returns; or

3 (II) a comparable tax form related to  
 4 the agricultural enterprises of the indi-  
 5 vidual or entity, as approved by the Sec-  
 6 retary; or

7 (ii) is a beginning farmer or rancher or  
 8 other producer that does not have adjusted  
 9 gross revenue for each of the preceding 5 tax-  
 10 able years, as determined by the Secretary; and

11 (D)(i) has earned at least \$20,000 in aver-  
 12 age adjusted gross revenue for each of the pre-  
 13 ceding 5 taxable years;

14 (ii) is a limited resource farmer or rancher,  
 15 as determined by the Secretary; or

16 (iii) in the case of a beginning farmer or  
 17 rancher or other producer that does not have  
 18 adjusted gross revenue for each of the pre-  
 19 ceding 5 taxable years, has at least \$20,000 in  
 20 estimated income from all agricultural enter-  
 21 prises for the applicable year, as determined by  
 22 the Secretary.

23 (7) RISK MANAGEMENT CONTRACT.—The term  
 24 “risk management contract” means a contract en-

1       tered into under section 112 annually for each appli-  
2       cable year.

3           (8) SECRETARY.—The term “Secretary” means  
4       the Secretary of Agriculture.

5   **SEC. 112. RISK MANAGEMENT CONTRACT.**

6       (a) OFFER.—The Secretary shall offer to enter into  
7       a risk management contract annually for each of the 2003  
8       through 2006 crops with each producer that is engaged  
9       in the production of an agricultural commodity for an ap-  
10      plicable year.

11      (b) VOUCHER.—

12           (1) IN GENERAL.—Under a risk management  
13      contract, the Secretary shall pay to a producer a  
14      voucher that is equivalent in value to the average  
15      adjusted gross revenue of the producer.

16           (2) PAYMENT RATE.—The payment rate for a  
17      voucher each year shall be equal to the total of—

18                   (A) 6 percent for the amount of the aver-  
19                   age adjusted gross revenue of a producer that  
20                   is less than \$250,000;

21                   (B) 4 percent for the amount of the aver-  
22                   age adjusted gross revenue of a producer that  
23                   is \$250,000 or more but less than \$500,000;

24                   (C) 1 percent for the amount of the aver-  
25                   age adjusted gross revenue of a producer that

1 is \$500,000 or more but less than \$1,000,000;  
2 and

3 (D) 0 percent for the amount of the aver-  
4 age adjusted gross revenue of a producer that  
5 is \$1,000,000 or more.

6 (c) ELIGIBILITY.—

7 (1) IN GENERAL.—An individual or entity may  
8 not receive directly or indirectly a voucher that is  
9 equal in value to more than \$30,000 in a year.

10 (2) INELIGIBLE ENTITIES.—An entity shall be  
11 ineligible to receive a voucher under this section if  
12 the entity is—

13 (A) an agency of the Federal Government,  
14 a State, or a political subdivision of a State;

15 (B) an entity that has shares traded on a  
16 public stock exchange; or

17 (C) another entity, as determined by the  
18 Secretary.

19 (3) VERIFICATION.—The Secretary shall deter-  
20 mine which individuals or entities are eligible for a  
21 voucher under this section by using social security  
22 numbers or taxpayer identification numbers, respec-  
23 tively.

24 (d) TERMS.—

1           (1) IN GENERAL.—In exchange for a voucher  
2       under a risk management contract, a producer  
3       shall—

4           (A) purchase whole farm revenue insurance  
5       coverage under section 525 of the Federal Crop  
6       Insurance Act (as added by section 113(a)) that  
7       provides a revenue guarantee of at least 80 per-  
8       cent of the average adjusted gross revenue of  
9       the producer at a payment rate of 100 percent;

10          (B) contribute an amount that is at least  
11       equal to the amount of the voucher to an Ac-  
12       count established under section 114; or

13          (C) redeem the voucher for a cash payment  
14       and use the payment to carry out 1 or more  
15       risk management strategies for the farm under  
16       section 115 that are sufficient to guarantee a  
17       net income from all agricultural enterprises of  
18       the producer for the applicable year that is at  
19       least 80 percent of the average adjusted gross  
20       revenue of the producer.

21       (2) CONSERVATION COMPLIANCE.—In addition  
22       to implementing 1 of the risk management strategies  
23       under paragraph (1), a producer shall agree, in ex-  
24       change for a voucher, to—

(A) comply with applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.); and

(B) comply with applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.).

(3) EXCESS VOUCHER AMOUNTS.—

(A) WHOLE FARM REVENUE INSURANCE COVERAGE.—If a producer elects to use a voucher to purchase whole farm revenue insurance coverage under section 525 of the Federal Crop Insurance Act (as added by section 113(a)) and the amount of the voucher exceeds the premium for the coverage, the producer may only deposit the amount of the voucher that exceeds the premium into an Account in accordance with section 114.

(B) RISK MANAGEMENT OPTIONS.—If a producer elects to use a voucher to carry out 1 or more risk management strategies under section 115 and the amount of the voucher exceeds the amount necessary to carry out the strategies, the producer may only deposit the amount of the voucher that exceeds the amount nec-



1           essary to carry out the strategies into an Ac-  
2           count in accordance with section 114.

3           (4) TENANTS AND SHARECROPPERS.—In car-  
4           rying out this subtitle, the Secretary shall provide  
5           adequate safeguards to protect the interests of ten-  
6           ants and sharecroppers.

7           (e) ADMINISTRATION.—

8           (1) APPLICATION.—A producer that elects to  
9           enter into a risk management contract for an appli-  
10          cable year shall submit an application to the Sec-  
11          retary prior to the beginning of the calendar year in  
12          which the voucher would be paid.

13          (2) PAYMENT OF VOUCHER.—The Secretary  
14          shall make available to the producer the full amount  
15          of the voucher required to be paid for the applicable  
16          year not earlier than October 1 of the applicable  
17          year.

18          (3) INTERNET.—The Secretary shall facilitate  
19          the contract process required under this section, to  
20          the maximum extent practicable, by using the Inter-  
21          net.

22          (4) COMPLIANCE.—The Secretary shall perform  
23          random audits of producers that enter into risk  
24          management contracts to ensure that the producers  
25          comply with the risk management contracts.

1           (5) VIOLATIONS.—If a producer has accepted a  
 2           risk management payment for an applicable year  
 3           and the producer fails to comply with subsection (d)  
 4           with respect to the applicable year, the producer—

5                   (A) shall refund to the Secretary an  
 6                   amount equal to the amount of the voucher;  
 7                   and

8                   (B) may be determined to be ineligible to  
 9                   receive a voucher under this subtitle for a pe-  
 10                  riod of not to exceed 5 years, as determined by  
 11                  the Secretary.

12          (f) SHARING OF BENEFITS.—The Secretary shall  
 13          provide for the sharing of benefits under this subtitle  
 14          among all producers on a farm on a fair and equitable  
 15          basis.

16          (g) COMMODITY CREDIT CORPORATION.—The Sec-  
 17          retary shall use the funds, facilities, and authorities of the  
 18          Commodity Credit Corporation to carry out this section.

19      **SEC. 113. WHOLE FARM REVENUE INSURANCE.**

20          (a) IN GENERAL.—The Federal Crop Insurance Act  
 21          (7 U.S.C. 1501 et. seq.) is amended by adding at the end  
 22          the following:

23      **“SEC. 525. WHOLE FARM REVENUE INSURANCE.**

24          “(a) DEFINITIONS.—In this section:

1           “(1) ADJUSTED GROSS REVENUE.—The term  
 2           ‘adjusted gross revenue’ means the adjusted gross  
 3           income for all agricultural enterprises of a producer,  
 4           excluding revenue earned from nonagricultural  
 5           sources, as determined by the Secretary—

6                   “(A) by taking into account gross receipts  
 7                   from the sale of all crops and livestock on all  
 8                   agricultural enterprises of the producer, includ-  
 9                   ing insurance indemnities resulting from losses  
 10                  in the agricultural enterprises;

11                  “(B) by deducting the cost or basis of live-  
 12                  stock or other items purchased for resale, such  
 13                  as feeder livestock, on all agricultural enter-  
 14                  prises of the producer; and

15                  “(C) as represented on—

16                   “(i) a schedule F of the Federal in-  
 17                   come tax returns; or

18                   “(ii) a comparable tax form related to  
 19                   the agricultural enterprises of the pro-  
 20                   ducer, as approved by the Secretary.

21           “(2) AGRICULTURAL COMMODITY.—The term  
 22           ‘agricultural commodity’ means any agricultural  
 23           commodity, livestock (as defined in section  
 24           523(b)(1)), food, feed, or fiber.

1           “(3) AGRICULTURAL ENTERPRISE.—The term  
 2           ‘agricultural enterprise’ means the production and  
 3           marketing of all agricultural commodities (including  
 4           livestock) on a farm or ranch.

5           “(4) AVERAGE ADJUSTED GROSS REVENUE.—  
 6           The term ‘average adjusted gross revenue’ means—

7                   “(A) the average adjusted gross revenue of  
 8                   a producer for the preceding 5 taxable years; or

9                   “(B) in the case of a beginning farmer or  
 10                  rancher or other producer that does not have  
 11                  adjusted gross revenue for each of the pre-  
 12                  ceding 5 taxable years, the estimated income of  
 13                  the producer that will be earned from all agri-  
 14                  cultural enterprises for the applicable year, as  
 15                  determined by the Secretary.

16          “(b) REVENUE INSURANCE.—If a producer elects to  
 17          use a voucher in accordance with section 112(d)(1)(A) of  
 18          the Farm and Ranch Equity Act of 2001, the producer  
 19          may use the voucher to obtain insurance that provides a  
 20          revenue guarantee for all agricultural enterprises of the  
 21          producer.

22          “(c) REVENUE GUARANTEE.—The amount of the  
 23          revenue guarantee for a policy of revenue insurance under  
 24          this section for the agricultural enterprises of a producer  
 25          shall be equal to the product obtained by multiplying—

1 “(1) the coverage level; by

2 “(2) the average adjusted gross revenue of the  
3 producer.

4 “(d) COVERAGE LEVEL.—The coverage level for  
5 whole farm revenue insurance under this section shall be  
6 80 percent of the average adjusted gross revenue of a pro-  
7 ducer.

8 “(e) PURCHASE OF MULTIPERIL OR REVENUE COV-  
9 ERAGES.—A producer that purchases coverage under this  
10 section shall not be required to purchase other policies of  
11 multiperil or revenue coverage under this title.

12 “(f) ADMINISTRATION.—In providing a policy of  
13 whole farm revenue insurance to a producer under this  
14 section, the Secretary shall—

15 “(1) offer the policy through a reinsurance  
16 agreement with a private insurance company;

17 “(2) ensure that the policy is actuarially sound;

18 “(3) require the producer to pay administrative  
19 fees and premiums for the policy in accordance with  
20 subsections (c)(10) and (d), respectively, of section  
21 508; and

22 “(4) pay a portion of the premium for the pol-  
23 icy in an amount that does not exceed the amount  
24 authorized under section 508(e)(2)(F).

1       “(g) DELIVERY REQUIRED.—Notwithstanding any  
 2 other provision of law, each insurance company that is re-  
 3 insured under the Standard Reinsurance Agreement shall  
 4 offer a whole farm revenue insurance policy described in  
 5 this section.

6       “(h) REINSURANCE YEARS.—This section shall apply  
 7 to each of the 2003 through 2006 reinsurance years.”.

8       (b) CONFORMING AMENDMENT.—Section  
 9 508(e)(2)(F) of the Federal Crop Insurance Act (7 U.S.C.  
 10 1508(e)(2)(F)) is amended by inserting “(including whole  
 11 farm revenue insurance)” after “not based on individual  
 12 yield”.

13 **SEC. 114. RISK MANAGEMENT STABILIZATION ACCOUNTS.**

14       (a) DEFINITION OF ACCOUNT.—In this section, the  
 15 term “Account” means a Risk Management Stabilization  
 16 Account that is established in the name of a participating  
 17 producer in a bank or financial institution that is selected  
 18 by the producer and approved by the Secretary, consisting  
 19 of—

- 20               (1) contributions of the producer; and
- 21               (2) matching contributions of the Secretary.

22       (b) ESTABLISHMENT.—If a producer elects to use a  
 23 voucher in accordance with section 112(d)(1)(B), the pro-  
 24 ducer shall establish an Account under which—

1           (1) the producer shall provide monetary con-  
2 tributions to the Account;

3           (2) the Secretary shall provide matching con-  
4 tributions to the Account; and

5           (3) the producer may withdraw accumulated  
6 funds from the Account.

7       (c) DEPOSITS.—

8           (1) PRODUCER CONTRIBUTION.—A producer  
9 shall deposit an amount that is at least equal to the  
10 amount of the voucher determined under section  
11 112(b).

12          (2) MATCHING CONTRIBUTION.—

13           (A) IN GENERAL.—Subject to subpara-  
14 graph (C), the Secretary shall provide a match-  
15 ing contribution that is equal to the amount de-  
16 posited by the producer into the Account.

17           (B) VALUE.—Before a voucher is depos-  
18 ited into an Account under subparagraph (A),  
19 the voucher shall have no value during the ap-  
20 plicable year.

21           (C) CONTRIBUTIONS EXCEEDING VOUCH-  
22 ER.—The amount of any producer contributions  
23 into the Account that exceed the amount of the  
24 voucher shall not be eligible for matching con-  
25 tributions.

1           (3) INTEREST.—Funds deposited into the Ac-  
 2           count may earn interest at the commercial rates pro-  
 3           vided by the bank or financial institution in which  
 4           the Account is established.

5           (d) MAXIMUM ACCOUNT BALANCE.—The balance of  
 6           an Account of a producer may not exceed 150 percent of  
 7           the average adjusted gross revenue of the producer.

8           (e) USE.—Funds credited to the Account—

9                 (1) shall be available for withdrawal by a pro-  
 10           ducer, in accordance with subsection (f); and

11                (2) may be used for purposes determined by the  
 12           producer.

13           (f) WITHDRAWAL.—

14                (1) IN GENERAL.—Subject to paragraphs (2)  
 15           and (3), a producer may withdraw funds from the  
 16           Account if the estimated net income for an applica-  
 17           ble year from the agricultural enterprises of the pro-  
 18           ducer is less than the average adjusted gross rev-  
 19           enue of the producer.

20                (2) AMOUNT.—The amount of a withdrawal by  
 21           a producer from an Account may not exceed the dif-  
 22           ference between (as determined by the Secretary)—

23                        (A) the average adjusted gross revenue of  
 24           the producer; and



1 (B) the estimated net income for the agri-  
 2 cultural enterprises of the producer for the year  
 3 for which a withdrawal occurs.

4 (3) RETIREMENT.—A producer that ceases to  
 5 be actively engaged in farming, as determined by the  
 6 Secretary—

7 (A) may withdraw the full balance from,  
 8 and close, the Account; and

9 (B) may not establish another Account.

10 (g) ADMINISTRATION.—The Secretary shall admin-  
 11 ister this section through the Farm Service Agency and  
 12 local and county offices of the Department of Agriculture.

13 (h) COMMODITY CREDIT CORPORATION.—The Sec-  
 14 retary shall use the funds, facilities, and authorities of the  
 15 Commodity Credit Corporation to carry out this section.

16 **SEC. 115. RISK MANAGEMENT OPTIONS AVAILABLE IN MAR-**  
 17 **KETPLACE.**

18 (a) DEFINITION OF REGULATED EXCHANGE.—The  
 19 term “regulated exchange” means a board of trade (as  
 20 defined in section 1a of the Commodity Exchange Act (7  
 21 U.S.C. 1a)) that is designated as a contract market under  
 22 section 2(a)(1)(C) of that Act (7 U.S.C. 2a(a)(1)(C)).

23 (b) FARM PRICE PROTECTION.—If a producer elects  
 24 to use a voucher in accordance with section 112(d)(1)(C),  
 25 the producer shall redeem the voucher for a cash payment

1 and use the payment to carry out 1 or more risk manage-  
 2 ment strategies for the farm described in subsection (c)  
 3 during the applicable year that are sufficient to guarantee  
 4 a net income from all agricultural enterprises of the pro-  
 5 ducer for the applicable year that is at least 80 percent  
 6 of the average adjusted gross revenue of the producer.

7 (c) RISK MANAGEMENT STRATEGIES.—A producer  
 8 may use a cash payment obtained under subsection (b)  
 9 to purchase—

10 (1) crop or revenue insurance available under  
 11 the Federal Crop Insurance Act (7 U.S.C. 1501 et  
 12 seq.) (other than whole farm revenue insurance  
 13 under section 525 of that Act) or private insurance  
 14 (such as hail coverage);

15 (2) a future or option on a regulated exchange,  
 16 as determined by the Secretary;

17 (3) an agricultural trade option, purchased  
 18 other than on a regulated exchange, for an agricul-  
 19 tural commodity produced by the producer that is—

20 (A) an equity option (as defined in section  
 21 1256(g) of the Internal Revenue Code of 1986);

22 or

23 (B) a hedging transaction (as defined in  
 24 section 1256(e)(2) of that Code);

25 (4) a cash forward or other marketing contract;

1           (5) a trust that is authorized by Federal law for  
 2           eligible farming businesses that may be established  
 3           to accept tax deductible contributions; or

4           (6) other type of farm price protection that is  
 5           available in the private sector and approved by the  
 6           Secretary.

7   **SEC. 116. CONFORMING AMENDMENTS.**

8           Section 506(m) of the Federal Crop Insurance Act  
 9   (7 U.S.C. 1506(m)) is amended—

10           (1) in paragraph (1), by striking “participation  
 11           in the multiple peril crop insurance program” and  
 12           inserting “a covered person to participate in the  
 13           multiple peril crop insurance program (including  
 14           whole farm revenue insurance under section 525) or  
 15           entering into a risk management contract under sec-  
 16           tion 112 of the Farm Financial Protection Act”;

17           (2) by striking “policyholder” each place it ap-  
 18           pears and inserting “covered person”; and

19           (3) in paragraph (2), by striking “POLICY-  
 20           HOLDERS” and inserting “COVERED PERSONS”.

## **Subtitle B—Phase Out of Commodity Programs**

### **SEC. 121. PROHIBITION ON AGRICULTURAL PRICE SUP- PORT AND PRODUCTION ADJUSTMENT.**

(a) IN GENERAL.—Notwithstanding any other provision of law, except as otherwise provided in this subtitle and effective beginning with the 2003 crop or the 2003 marketing, reinsurance, fiscal, or calendar year (as applicable) for each agricultural commodity, the Secretary of Agriculture and the Commodity Credit Corporation may not provide loans, purchases, payments, or other operations or take any other action to support the price, or adjust or control the production, of an agricultural commodity by using the funds, facilities, and authorities of the Commodity Credit Corporation or under the authority of any law.

(b) EXCEPTIONS.—Subsection (a) shall not apply to—

(1) any activities under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Act of 1937;

(2) section 32 of the Act of August 24, 1935 (7 U.S.C. 612c; 49 Stat. 774, chapter 641);

1           (3) part I of subtitle B of title III of the Agri-  
 2           cultural Adjustment Act of 1938 (7 U.S.C. 1311 et  
 3           seq.); and

4           (4) sections 106, 106A, and 106B of the Agri-  
 5           cultural Act of 1949 (7 U.S.C. 1445, 1445–1, 1445–  
 6           2).

7   **SEC. 122. AGRICULTURAL MARKET TRANSITION ACT.**

8           (a) REPEALS.—

9           (1) 2003 AND SUBSEQUENT CROPS.—Effective  
 10          beginning with the 2003 crop, the Agricultural Mar-  
 11          ket Transition Act (7 U.S.C. 7201 et seq.) is re-  
 12          pealed, other than the following:

13                 (A) Subtitle A (7 U.S.C. 7201 et seq.).

14                 (B) Sections 131, 132, and 133 (7 U.S.C.  
 15                 7231, 7232, 7233).

16                 (C) Subsections (a) through (d) of section  
 17                 134 (7 U.S.C. 7234).

18                 (D) Section 135 (7 U.S.C. 7235).

19                 (E) Sections 141 and 142 (7 U.S.C. 7251,  
 20                 7252).

21                 (F) Chapter 2 of subtitle D (7 U.S.C.  
 22                 7271 et seq.).

23                 (G) Sections 161 through 165 (7 U.S.C.  
 24                 7281 et seq.).

25                 (H) Subtitle H (7 U.S.C. 7331 et seq.).

1           (2) 2003 AND SUBSEQUENT CALENDAR  
 2 YEARS.—Effective January 1, 2003, sections 141  
 3 and 142 of the Agricultural Market Transition Act  
 4 (7 U.S.C. 7251, 7252) are repealed.

5           (3) 2006 AND SUBSEQUENT CROPS.—Effective  
 6 beginning with the 2006 crop, the following provi-  
 7 sions of the Agricultural Market Transition Act (7  
 8 U.S.C. 7231 et seq.) are repealed:

9                   (A) Subtitle C (7 U.S.C. 7231 et seq.).

10                   (B) Chapter 2 of subtitle D (7 U.S.C.  
 11 7271 et seq.), other than section 156(f) (7  
 12 U.S.C. 7272(f)).

13           (b) AVAILABILITY OF NONRECOURSE MARKETING  
 14 ASSISTANCE LOANS.—Section 131 of the Agricultural  
 15 Market Transition Act (7 U.S.C. 7231) is amended —

16                   (1) in subsection (a) by striking “2002” and in-  
 17 serting “2005”; and

18                   (2) by striking subsection (b) and inserting the  
 19 following:

20           “(b) ELIGIBLE PRODUCTION.—The producers on a  
 21 farm shall be eligible for a marketing assistance loan  
 22 under subsection (a) for any quantity of a loan commodity  
 23 produced on the farm.”.

1 (c) LOAN RATES FOR MARKETING ASSISTANCE

2 LOANS.—Section 132 of the Agricultural Market Transi-

3 tion Act (7 U.S.C. 7232) is amended to read as follows:

4 **“SEC. 132. LOAN RATES FOR MARKETING ASSISTANCE**

5 **LOANS.**

6 “(a) WHEAT.—The loan rate for a marketing assist-  
 7 ance loan under section 131 for wheat shall be 90 percent  
 8 for the 2003 crop, 85 percent for the 2004 crop, and 80  
 9 percent for the 2005 crop, of the simple average price re-  
 10 ceived by producers of wheat, as determined by the Sec-  
 11 retary, during the marketing years for the immediately  
 12 preceding 5 crops of wheat, excluding the year in which  
 13 the average price was the highest and the year in which  
 14 the average price was the lowest in the period.

15 “(b) FEED GRAINS.—

16 “(1) CORN.—The loan rate for a marketing as-  
 17 sistance loan under section 131 for corn shall be 90  
 18 percent for the 2003 crop, 85 percent for the 2004  
 19 crop, and 80 percent for the 2005 crop, of the sim-  
 20 ple average price received by producers of corn, as  
 21 determined by the Secretary, during the marketing  
 22 years for the immediately preceding 5 crops of corn,  
 23 excluding the year in which the average price was  
 24 the highest and the year in which the average price  
 25 was the lowest in the period.

1           “(2) OTHER FEED GRAINS.—The loan rate for  
 2           a marketing assistance loan under section 131 for  
 3           grain sorghum, barley, and oats, respectively, shall  
 4           be established at such level as the Secretary deter-  
 5           mines is fair and reasonable in relation to the rate  
 6           that loans are made available for corn, taking into  
 7           consideration the feeding value of the commodity in  
 8           relation to corn.

9           “(c) UPLAND COTTON.—The loan rate for a mar-  
 10          keting assistance loan under section 131 for upland cotton  
 11          shall be 90 percent for the 2003 crop, 85 percent for the  
 12          2004 crop, and 80 percent for the 2005 crop, of the simple  
 13          average price received by producers of upland cotton, as  
 14          determined by the Secretary, during the marketing years  
 15          for the immediately preceding 5 crops of upland cotton,  
 16          excluding the year in which the average price was the  
 17          highest and the year in which the average price was the  
 18          lowest in the period.

19          “(d) EXTRA LONG STAPLE COTTON.—The loan rate  
 20          for a marketing assistance loan under section 131 for  
 21          extra long staple cotton shall be 90 percent for the 2003  
 22          crop, 85 percent for the 2004 crop, and 80 percent for  
 23          the 2005 crop, of the simple average price received by pro-  
 24          ducers of extra long staple cotton, as determined by the  
 25          Secretary, during the marketing years for the immediately



1 preceding 5 crops of extra long staple cotton, excluding  
 2 the year in which the average price was the highest and  
 3 the year in which the average price was the lowest in the  
 4 period.

5       “(e) RICE.—The loan rate for a marketing assistance  
 6 loan under section 131 for rice shall be 90 percent for  
 7 the 2003 crop, 85 percent for the 2004 crop, and 80 per-  
 8 cent for the 2005 crop, of the simple average price re-  
 9 ceived by producers of rice, as determined by the Sec-  
 10 retary, during the marketing years for the immediately  
 11 preceding 5 crops of rice, excluding the year in which the  
 12 average price was the highest and the year in which the  
 13 average price was the lowest in the period.

14       “(f) OILSEEDS.—

15           “(1) SOYBEANS.—The loan rate for a mar-  
 16 keting assistance loan under section 131 for soy-  
 17 beans shall be 90 percent for the 2003 crop, 85 per-  
 18 cent for the 2004 crop, and 80 percent for the 2005  
 19 crop, of the simple average price received by pro-  
 20 ducers of soybeans, as determined by the Secretary,  
 21 during the marketing years for the immediately pre-  
 22 ceding 5 crops of soybeans, excluding the year in  
 23 which the average price was the highest and the year  
 24 in which the average price was the lowest in the pe-  
 25 riod.

1           “(2) SUNFLOWER SEED, CANOLA, RAPESEED,  
 2           SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The  
 3           loan rate for a marketing assistance loan under sec-  
 4           tion 131 for sunflower seed, canola, rapeseed, saf-  
 5           flower, mustard seed, and flaxseed, individually,  
 6           shall be 90 percent for the 2003 crop, 85 percent for  
 7           the 2004 crop, and 80 percent for the 2005 crop, of  
 8           the simple average price received by producers of  
 9           sunflower seed, individually, as determined by the  
 10          Secretary, during the marketing years for the imme-  
 11          diately preceding 5 crops of sunflower seed, individ-  
 12          ually, excluding the year in which the average price  
 13          was the highest and the year in which the average  
 14          price was the lowest in the period.

15          “(3) OTHER OILSEEDS.—The loan rates for a  
 16          marketing assistance loan under section 131 for  
 17          other oilseeds shall be established at such level as  
 18          the Secretary determines is fair and reasonable in  
 19          relation to the loan rate available for soybeans, ex-  
 20          cept in no event shall the rate for the oilseeds (other  
 21          than cottonseed) be less than the rate established for  
 22          soybeans on a per-pound basis for the same crop.”.

23          (d) PEANUT PROGRAM.—Section 155 of the Agricul-  
 24          tural Market Transition Act (7 U.S.C. 7271) is amended

1 by striking subsections (h) and (i) and inserting the fol-  
 2 lowing:

3       “(h) PHASED REDUCTION OF LOAN RATE.—For  
 4 each of the 2003, 2004, and 2005 crops of quota and addi-  
 5 tional peanuts, the Secretary shall lower the loan rate for  
 6 each succeeding crop in a manner that progressively and  
 7 uniformly lowers the loan rate for quota and additional  
 8 peanuts to \$0 for the 2006 crop.

9       “(i) CROPS.—This section shall be effective only for  
 10 the 1996 through 2005 crops.”.

11       (e) SUGAR PROGRAM.—Section 156 of the Agricul-  
 12 tural Market Transition Act (7 U.S.C. 7272) is  
 13 amended—

14           (1) in subsection (e), by striking paragraph (1)  
 15 and inserting the following:

16           “(1) LOANS.—The Secretary shall carry out  
 17 this section through the use of recourse loans.”;

18           (2) in subsection (f), by striking “2003” each  
 19 place it appears and inserting “2006”;

20           (3) by redesignating subsection (i) as subsection  
 21 (j);

22           (4) by inserting after subsection (h) the fol-  
 23 lowing:

24       “(i) PHASED REDUCTION OF LOAN RATE.—For each  
 25 of the 2003, 2004, and 2005 crops of sugar beets and

1 sugarcane, the Secretary shall lower the loan rate for each  
 2 succeeding crop in a manner that progressively and uni-  
 3 formly lowers the loan rate for sugar beets and sugarcane  
 4 to \$0 for the 2006 crop.”; and

5 (5) in subsection (j) (as redesignated), by strik-  
 6 ing “2002” and inserting “2005”.

7 (f) CONFORMING AMENDMENTS.—

8 (1) FLOOD RISK REDUCTION.—Section 385 of  
 9 the Federal Agriculture Improvement and Reform  
 10 Act of 1996 (7 U.S.C. 7334) is repealed.

11 (2) CONSERVATION FARM OPTION.—Section  
 12 1240M of the Food Security Act of 1985 (16 U.S.C.  
 13 3839bb) is repealed.

14 **SEC. 123. AGRICULTURAL ADJUSTMENT ACT OF 1938.**

15 (a) REPEALS.—

16 (1) 2003 AND SUBSEQUENT MARKETING YEARS  
 17 AND CROPS.—Effective beginning with the 2003  
 18 marketing or crop year (as applicable), the Agricul-  
 19 tural Adjustment Act of 1938 (7 U.S.C. 1281 et  
 20 seq.) is repealed, other than the following:

21 (A) The first section (7 U.S.C. 1281).

22 (B) Section 301 (7 U.S.C. 1301).

23 (C) Part I of subtitle B of title III (7  
 24 U.S.C. 1311 et seq.).

1 (D) Part VI of subtitle B of title III (7  
2 U.S.C. 1357 et seq.).

3 (E) Subtitle C of title III (7 U.S.C. 1361  
4 et seq.).

5 (F) Subtitle F of title III (7 U.S.C. 1381  
6 et seq.).

7 (G) Title V (7 U.S.C. 1501 et seq.).

8 (2) 2006 AND SUBSEQUENT MARKETING YEARS  
9 AND CROPS.—Effective beginning with the 2006  
10 marketing year or crop year (as applicable), part VI  
11 of subtitle B of title III (7 U.S.C. 1357 et seq.) is  
12 repealed.

13 (b) PEANUT QUOTA.—

14 (1) EXTENSION.—Sections 358–1, 358b(c),  
15 358c(d), and 358e(i) of the Agricultural Adjustment  
16 Act of 1938 (7 U.S.C. 1358–1, 1358b(c), 1358c(d),  
17 1359a(i)) are amended by striking “2002” each  
18 place it appears and inserting “2005”.

19 (2) PEANUT QUOTA.—Part VI of subtitle B of  
20 title III of the Agricultural Adjustment Act of 1938  
21 (7 U.S.C. 1357 et seq.) is amended by adding at the  
22 end the following:

23 **“SEC. 358f. PHASED INCREASE IN QUOTA.**

24 “For each of the 2003, 2004, and 2005 crops of  
25 quota peanuts, the Secretary shall increase the marketing

1 quota and allotment for each succeeding marketing year  
 2 in a manner that progressively and uniformly increases the  
 3 marketing quota to anticipate the elimination of the mar-  
 4 keting quota for the 2006 crop.”.

5 (c) CONFORMING AMENDMENTS.—

6 (1) REFERENCES TO PARITY PRICES.—Section  
 7 302 of the Agricultural Act of 1948 (7 U.S.C.  
 8 1301a) is amended by striking subsection (f).

9 (2) TRANSFER OF ACREAGE ALLOTMENTS.—  
 10 Section 706 of the Food and Agriculture Act of  
 11 1965 (7 U.S.C. 1305) is repealed.

12 (3) PROJECTED YIELDS.—Section 708 of the  
 13 Food and Agriculture Act of 1965 (7 U.S.C. 1306)  
 14 is repealed.

15 (4) WHEAT DIVERSION PROGRAMS.—Section  
 16 327 of the Food and Agriculture Act of 1962 (7  
 17 U.S.C. 1339b) is repealed.

18 (5) FARM MARKETING QUOTAS.—The Joint  
 19 Resolution entitled “Joint Resolution relating to  
 20 corn and wheat marketing quotas under the Agricul-  
 21 tural Adjustment Act of 1938, as amended”, ap-  
 22 proved May 26, 1941 (7 U.S.C. 1330 and 1340), is  
 23 repealed.

1           (6) COTTON ACREAGE ALLOTMENTS.—The Act  
2       of March 29, 1949 (63 Stat. 17, chapter 38; 7  
3       U.S.C. 1344a), is repealed.

4           (7) RECONCENTRATION OF COTTON.—The Act  
5       of June 16, 1938 (52 Stat. 762, chapter 480; 7  
6       U.S.C. 1383a), is repealed.

7           (8) REQUIREMENTS FOR CORN.—Section 308 of  
8       the Agricultural Act of 1956 (7 U.S.C. 1442) is re-  
9       pealed.

10          (9) FIELD MEASUREMENT.—Section 1112 of  
11       the Omnibus Budget Reconciliation Act of 1987  
12       (101 Stat. 1330–8) is amended by striking sub-  
13       section (c).

14       **SEC. 124. COMMODITY CREDIT CORPORATION CHARTER**  
15                               **ACT.**

16       (a) IN GENERAL.—Section 5 of the Commodity Cred-  
17       it Corporation Charter Act (15 U.S.C. 714c) is  
18       amended—

19           (1) by striking subsection (a); and

20           (2) by redesignating subsections (b) through (g)  
21       as subsections (a) through (f), respectively.

22       (b) CONFORMING AMENDMENT.—Section 619 of the  
23       Agricultural Trade Development and Assistance Act of  
24       1954 (7 U.S.C. 1738r) is amended by striking “section  
25       5(f) of the Commodity Credit Corporation Charter Act”

1 and inserting “section 5(e) of the Commodity Credit Cor-  
 2 poration Charter Act (15 U.S.C. 714c(e))”.

3 (c) CROPS.—The amendments made by this section  
 4 apply beginning with the 2006 crop.

5 **SEC. 125. AGRICULTURAL ACT OF 1949.**

6 (a) IN GENERAL.—The Agricultural Act of 1949 (7  
 7 U.S.C. 1421 et seq.) is repealed, other than the following:

8 (1) The first section (7 U.S.C. 1421 note).

9 (2) Sections 106, 106A, and 106B (7 U.S.C.  
 10 1445, 1445–1, 1445–2).

11 (3) Section 416 (7 U.S.C. 1431)

12 (b) CONFORMING AMENDMENTS.—

13 (1) AMOUNT OF ASSESSMENTS.—Section 4609  
 14 of the Omnibus Trade and Competitiveness Act of  
 15 1988 (7 U.S.C. 624 note; Public Law 100–418) is  
 16 repealed.

17 (2) AMERICAN AGRICULTURE PROTECTION PRO-  
 18 GRAM.—Section 1002 of the Food and Agriculture  
 19 Act of 1977 (7 U.S.C. 1310) is repealed.

20 (3) ADVANCE RECOURSE LOANS.—Section 13 of  
 21 the Food Security Improvements Act of 1986 (7  
 22 U.S.C. 1433c–1) is repealed.

23 (4) CONVERSION INTO FUELS.—Section 2001  
 24 of the Food and Agriculture Act of 1977 (7 U.S.C.  
 25 1435) is amended—



1 (A) by striking subsection (a); and

2 (B) in subsection (b)—

3 (i) by striking the subsection designa-  
4 tion;

5 (ii) by redesignating paragraphs (1)  
6 through (4) as subsections (a) through (d),  
7 respectively;

8 (iii) in subsection (a) (as so redesign-  
9 nated), by striking “During” and all that  
10 follows through “1949, the” and inserting  
11 “The”; and

12 (iv) by striking “subsection” each  
13 place it appears and inserting “section”.

14 (5) REIMBURSEMENT OF CCC.—Section 412 of  
15 the Agricultural Trade Development and Assistance  
16 Act of 1954 (7 U.S.C. 1736f) is amended by strik-  
17 ing subsection (d).

18 (6) HONEY ASSESSMENTS.—

19 (A) Section 9 of the Honey Research, Pro-  
20 motion, and Consumer Information Act (7  
21 U.S.C. 4608) is amended—

22 (i) by striking subsection (d);

23 (ii) by redesignating subsections (e)  
24 through (i) as subsections (d) through (h),  
25 respectively;

1 (iii) in subsection (a), by striking  
 2 “(d), (e), and (i)” and inserting “(d) and  
 3 (h)”;

4 (iv) in subsection (f) (as so redesign-  
 5 nated), by striking “(f)” and inserting  
 6 “(e)”;

7 (v) in subsection (g)(1) (as so redesign-  
 8 nated)—

9 (I) in subparagraph (A), by strik-  
 10 ing “(A)”;

11 (II) by striking subparagraph  
 12 (B).

13 (B) Section 13(b)(2) of the Honey Re-  
 14 search, Promotion, and Consumer Information  
 15 Act (7 U.S.C. 4612(b)(2)) is amended—

16 (i) in subparagraph (A)(ii), by strik-  
 17 ing “4608(h)(1)” and inserting  
 18 “4608(g)(1)”;

19 (ii) in subparagraph (B)(ii), by strik-  
 20 ing “4608(h)(1)” and inserting  
 21 “4608(g)(1)”.

22 (7) ESSENTIAL AGRICULTURAL USE.—Section  
 23 273 of the Biomass Energy and Alcohol Fuels Act  
 24 of 1980 (15 U.S.C. 3391a) is amended—

1 (A) by adding “and” at the end of para-  
 2 graph (1);

3 (B) by striking paragraph (2); and

4 (C) by redesignating paragraph (3) as  
 5 paragraph (2).

6 (8) CONSERVATION RESERVE.—

7 (A) RENTAL PAYMENTS.—Section  
 8 1234(f)(3) of the Food Security Act of 1985  
 9 (16 U.S.C. 3834(f)(3)) is amended—

10 (i) by striking “this Act,” and insert-  
 11 ing “this Act or”; and

12 (ii) by striking “, or the Agricultural  
 13 Act of 1949 (7 U.S.C. 1421 et seq.)”.

14 (B) ENVIRONMENTAL EASEMENT PAY-  
 15 MENTS.—Section 1239C(f)(3) of the Food Se-  
 16 curity Act of 1985 (16 U.S.C. 3839c(f)(3)) is  
 17 amended—

18 (i) by striking “this Act,” and insert-  
 19 ing “this Act or”; and

20 (ii) by striking “, or the Agricultural  
 21 Act of 1949 (7 U.S.C. 1421 et seq.)”.

22 (9) TAXABLE YEAR FOR DISASTER PAY-  
 23 MENTS.—The second sentence of section 451(d) of  
 24 the Internal Revenue Code of 1986 is amended by

1       striking “the Agricultural Act of 1949, as amended,  
2       or”.

3               (10) INTEREST PENALTIES.—Section 3902(h)  
4       of title 31, United States Code, is amended—

5                       (A) by striking paragraph (2); and

6                       (B) by redesignating paragraphs (3) and  
7       (4) as paragraphs (2) and (3), respectively.

8               (11) COLORADO RIVER STORAGE PROJECT.—  
9       Section 4 of the Act of April 11, 1956 (70 Stat.  
10       107, chapter 203; 43 U.S.C. 620c), is amended by  
11       striking “, as defined in the Agricultural Act of  
12       1949, or any amendment thereof,”.

13               (12) SURPLUS CROPS.—Section 212 of the Rec-  
14       lamation Projects Authorization and Adjustment Act  
15       of 1992 (Public Law 102–575; 106 Stat. 4625) is  
16       repealed.

17   **SEC. 126. AGRICULTURAL ADJUSTMENT ACT.**

18       Effective January 1, 2003, section 8c(5) of the Agri-  
19       cultural Adjustment Act (7 U.S.C. 608c(5)), reenacted  
20       with amendments by the Agricultural Marketing Agree-  
21       ment Act of 1937, is amended by adding at the end the  
22       following:

23                       “(M) MILK CLASSES.—

1 “(i) IN GENERAL.—Notwithstanding  
 2 any other provision of this subsection, the  
 3 Secretary shall establish—

4 “(I) 1 class of milk for fluid  
 5 milk; and

6 “(II) 1 class of milk for other  
 7 uses of milk.

8 “(ii) COMPONENT PRICES.—The class-  
 9 es of milk established under clause (i) shall  
 10 be used to determine the prices of milk  
 11 components.”.

12 **SEC. 127. AGRICULTURAL ACT OF 1970.**

13 Section 813 of the Agricultural Act of 1970 (7 U.S.C.  
 14 1427a) is repealed.

15 **SEC. 128. GENERAL COMMODITY PROVISIONS.**

16 (a) PAYMENT LIMITATIONS.—Section 1001 of the  
 17 Food Security Act of 1985 (7 U.S.C. 1308) is amended  
 18 by striking paragraph (1) and inserting the following:

19 “(1) LIMITATION ON VOUCHERS AND PAY-  
 20 MENTS.—

21 “(A) VOUCHERS.—The total amount of  
 22 vouchers made under section 112 of the Farm  
 23 Financial Protection Act made directly or indi-  
 24 rectly to an individual or entity during any ap-  
 25 plicable year may not exceed \$30,000.

1           “(B) ENVIRONMENTAL QUALITY INCEN-  
 2           TIVES PROGRAM.—The total amount of pay-  
 3           ments made under chapter 4 of subtitle D of  
 4           title XII of the Food Security Act of 1985 (16  
 5           U.S.C. 3839aa et seq.) made directly or indi-  
 6           rectly to an individual or entity during any ap-  
 7           plicable year may not exceed \$50,000.

8           “(C) ADMINISTRATION.—Notwithstanding  
 9           any other paragraph of this section, sections  
 10          1001A(b), 1001B, and 1001C shall apply to an  
 11          individual or entity that receives a voucher or  
 12          payment described in this paragraph.”.

13          (b) NORMALLY PLANTED ACREAGE.—Section 1001  
 14          of the Food and Agriculture Act of 1977 (7 U.S.C. 1309)  
 15          is repealed.

16          (c) NORMAL SUPPLY.—Section 1019 of the Food Se-  
 17          curity Act of 1985 (7 U.S.C. 1310a) is repealed.

18          (d) DETERMINATIONS OF THE SECRETARY.—Section  
 19          1017 of the Food Security Act of 1985 (7 U.S.C. 1385  
 20          note; Public Law 99–198) is repealed.

21          (e) FINANCIAL IMPACT STUDY.—Section 1147 of the  
 22          Food, Agriculture, Conservation, and Trade Act of 1990  
 23          (7 U.S.C. 1421a) is repealed.

1 (f) PLANTING ON SET-ASIDE ACREAGE.—Section  
 2 814 of the Agricultural Act of 1970 (7 U.S.C. 1434) is  
 3 repealed.

4 (g) COST OF PRODUCTION STUDY.—Section 808 of  
 5 the Agricultural Act of 1970 (7 U.S.C. 1441a) is repealed.

6 (h) STORAGE PAYMENTS.—Section 1124 of the Food,  
 7 Agriculture, Conservation, and Trade Act of 1990 (7  
 8 U.S.C. 1445e note; Public Law 101–624) is repealed.

9 (i) COMPUTATION OF CARRYOVER.—Section 105 of  
 10 the Agricultural Act of 1954 (7 U.S.C. 1745) is repealed.

11 (j) ADJUSTMENT OF LOANS.—Section 2(b) of the Act  
 12 of December 20, 1944 (12 U.S.C. 1150a(b)), is  
 13 amended—

14 (1) by striking “Agricultural Adjustment Act  
 15 (of 1933);” and

16 (2) by striking “sections 303” and all that fol-  
 17 lows through “adjustment payments;”.

18 (k) TARGETED OPTION PAYMENTS.—Section 121 of  
 19 the Food, Agriculture, Conservation, and Trade Act  
 20 Amendments of 1991 (105 Stat. 1843) is repealed.

21 **SEC. 129. SPECIFIC COMMODITY PROVISIONS.**

22 (a) MILK.—Section 101 of the Agriculture and Food  
 23 Act of 1981 (7 U.S.C. 608c note; Public Law 97–98) is  
 24 amended by striking subsection (b).

25 (b) FEED GRAINS.—

1           (1) RECOURSE LOAN PROGRAM FOR SILAGE.—

2           Section 403 of the Food Security Act of 1985 (7  
3           U.S.C. 1444e-1) is repealed.

4           (2) CALCULATION OF REFUNDS.—Section 405  
5           of the Food, Agriculture, Conservation, and Trade  
6           Act of 1990 (7 U.S.C. 1445j note; Public Law 101-  
7           624) is repealed.

8           (3) ACREAGE DIVERSION PROGRAMS.—Section  
9           328 of the Food and Agriculture Act of 1962 (7  
10          U.S.C. 1339c) is repealed.

11   **SEC. 130. EFFECT OF AMENDMENTS.**

12          (a) IN GENERAL.—Except as otherwise specifically  
13          provided in this title and notwithstanding any other provi-  
14          sion of law, this subtitle and the amendments made by  
15          this subtitle shall not affect the authority of the Secretary  
16          of Agriculture to carry out an agricultural market transi-  
17          tion, price support, or production adjustment program for  
18          any of the 1996 through 2002 crops, or for any of the  
19          1996 through 2002 marketing, reinsurance, fiscal, or cal-  
20          endar years, as applicable, under a provision of law in ef-  
21          fect immediately before the enactment of this subtitle.

22          (b) LIABILITY.—A provision of this title or an  
23          amendment made by this subtitle shall not affect the li-  
24          ability of any person under any provision of law as in ef-  
25          fect immediately before of enactment of this subtitle.



1 **SEC. 131. CROP.**

2 This subtitle and the amendments made by this sub-  
 3 title apply beginning with the 2003 crop of each agricul-  
 4 tural commodity or the 2003 marketing, reinsurance, fis-  
 5 cal, or calendar year, as applicable.

6 **TITLE II—CONSERVATION**  
 7 **Subtitle A—Working Land**  
 8 **Conservation Programs**

9 **SEC. 201. ENVIRONMENTAL QUALITY INCENTIVES PRO-**  
 10 **GRAM.**

11 Chapter 4 of subtitle D of title XII of the Food Secu-  
 12 rity Act of 1985 (16 U.S.C. 3839aa et seq.) is amended  
 13 to read as follows:

14 **“CHAPTER 4—ENVIRONMENTAL QUALITY**  
 15 **INCENTIVES PROGRAM**

16 **“SEC. 1240. PURPOSES.**

17 “The purposes of the environmental quality incen-  
 18 tives program established by this chapter are to promote  
 19 agricultural production and environmental quality as com-  
 20 patible national goals, and to maximize environmental  
 21 benefits per dollar expended, by—

22 “(1) assisting producers in complying with this  
 23 title, the Federal Water Pollution Control Act (33  
 24 U.S.C. 1251 et seq.), the Safe Drinking Water Act  
 25 (42 U.S.C. 300f et seq.), the Clean Air Act (42

1 U.S.C. 7401 et seq.), and other Federal, State, and  
2 local environmental laws (including regulations);

3 “(2) avoiding, to the maximum extent prac-  
4 ticable, the need for resource and regulatory pro-  
5 grams by assisting producers in protecting soil,  
6 water, air, and related natural resources and meet-  
7 ing environmental quality criteria established by  
8 Federal, State, and local agencies;

9 “(3) providing flexible technical and financial  
10 assistance to producers to install and maintain con-  
11 servation systems that enhance soil, water, related  
12 natural resources (including grazing land and wet-  
13 land), and wildlife while sustaining production of  
14 food and fiber;

15 “(4) assisting producers to make beneficial, cost  
16 effective changes to cropping systems, grazing man-  
17 agement, nutrient management associated with live-  
18 stock, pest or irrigation management, or other prac-  
19 tices on agricultural land;

20 “(5) facilitating partnerships and joint efforts  
21 among producers and governmental and nongovern-  
22 mental organizations; and

23 “(6) consolidating and streamlining conserva-  
24 tion planning and regulatory compliance processes to

1       reduce administrative burdens on producers and the  
2       cost of achieving environmental goals.

3   **“SEC. 1240A. DEFINITIONS.**

4       “In this chapter:

5           “(1) COMPREHENSIVE NUTRIENT MANAGE-  
6       MENT.—

7           “(A) IN GENERAL.—The term ‘comprehen-  
8       sive nutrient management’ means any combina-  
9       tion of structural practices, land management  
10      practices, and management activities associated  
11      with crop or livestock production described in  
12      subparagraph (B) that collectively ensure that  
13      the goals of crop or livestock production and  
14      preservation of natural resources, especially the  
15      preservation and enhancement of water quality,  
16      are compatible.

17          “(B) ELEMENTS.—For the purpose of sub-  
18      paragraph (A), structural practices, land man-  
19      agement practices, and management activities  
20      associated with livestock production are—

21           “(i) manure and wastewater handling  
22      and storage;

23           “(ii) land treatment practices;

24           “(iii) nutrient management;

25           “(iv) recordkeeping;

1 “(v) feed management; and

2 “(vi) other waste utilization options.

3 “(C) PRACTICE.—

4 “(i) PLANNING.—The development of  
5 a comprehensive nutrient management  
6 plan shall be a practice that is eligible for  
7 incentive payments and technical assist-  
8 ance under this chapter.

9 “(ii) IMPLEMENTATION.—The imple-  
10 mentation of a comprehensive nutrient  
11 plan shall be accomplished through struc-  
12 tural and land management practices iden-  
13 tified in the plan.

14 “(2) ELIGIBLE LAND.—The term ‘eligible land’  
15 means agricultural land (including cropland, range-  
16 land, pasture, private nonindustrial forest land, and  
17 other land on which crops or livestock are produced),  
18 including agricultural land that the Secretary deter-  
19 mines poses a serious threat to soil, water, or related  
20 resources by reason of the soil types, terrain, cli-  
21 matic, soil, topographic, flood, or saline characteris-  
22 tics, or other factors or natural hazards.

23 “(3) LAND MANAGEMENT PRACTICE.—The  
24 term ‘land management practice’ means a site-spe-  
25 cific nutrient or manure management, integrated

1       pest management, irrigation management, tillage or  
 2       residue management, grazing management, air qual-  
 3       ity management, or other land management practice  
 4       carried out on eligible land that the Secretary deter-  
 5       mines is needed to protect, in the most cost-effective  
 6       manner, water, soil, or related resources from deg-  
 7       radation.

8               “(5) LIVESTOCK.—The term ‘livestock’ means  
 9       dairy cattle, beef cattle, laying hens, broilers, tur-  
 10      keys, swine, sheep, and such other animals as deter-  
 11      mined by the Secretary.

12              “(6) MAXIMIZE ENVIRONMENTAL BENEFITS  
 13      PER DOLLAR EXPENDED.—

14              “(A) IN GENERAL.—The term ‘maximize  
 15      environmental benefits per dollar expended’  
 16      means to maximize environmental benefits to  
 17      the extent the Secretary determines is prac-  
 18      ticable and appropriate, taking into account the  
 19      amount of funding made available to carry out  
 20      this chapter.

21              “(B) LIMITATION.—The term ‘maximize  
 22      environmental benefits per dollar expended’  
 23      does not require the Secretary—

24                      “(i) to provide the least cost practice  
 25                      or technical assistance; or

1 “(ii) to require the development of a  
2 plan under section 1240E as part of an  
3 application for payments or technical as-  
4 sistance.

5 “(7) PRACTICE.—The term ‘practice’ means 1  
6 or more structural practices, land management prac-  
7 tices, and comprehensive nutrient management plan-  
8 ning practices.

9 “(8) PRODUCER.—The term ‘producer’ means a  
10 person that is engaged in livestock or agricultural  
11 production, as determined by the Secretary.

12 “(9) STRUCTURAL PRACTICE.—The term ‘struc-  
13 tural practice’ means—

14 “(A) the establishment on eligible land of  
15 a site-specific animal waste management facil-  
16 ity, terrace, grassed waterway, contour grass  
17 strip, filterstrip, tailwater pit, permanent wild-  
18 life habitat, constructed wetland, or other struc-  
19 tural practice that the Secretary determines is  
20 needed to protect, in the most cost-effective  
21 manner, water, soil, or related resources from  
22 degradation; and

23 “(B) the capping of abandoned wells on el-  
24 igible land.

1 **“SEC. 1240B. ESTABLISHMENT AND ADMINISTRATION OF**  
2 **ENVIRONMENTAL QUALITY INCENTIVES PRO-**  
3 **GRAM.**

4 “(a) ESTABLISHMENT.—

5 “(1) IN GENERAL.—During each of the 2003  
6 through 2006 fiscal years, the Secretary shall pro-  
7 vide technical assistance, cost-share payments, and  
8 incentive payments to producers, that enter into con-  
9 tracts with the Secretary, through an environmental  
10 quality incentives program in accordance with this  
11 chapter.

12 “(2) ELIGIBLE PRACTICES.—

13 “(A) STRUCTURAL PRACTICES.—A pro-  
14 ducer that implements a structural practice  
15 shall be eligible for any combination of technical  
16 assistance, cost-share payments, and education.

17 “(B) LAND MANAGEMENT PRACTICES.—A  
18 producer that performs a land management  
19 practice shall be eligible for any combination of  
20 technical assistance, incentive payments, and  
21 education.

22 “(C) COMPREHENSIVE NUTRIENT MANAGE-  
23 MENT PLANNING.—A producer that develops a  
24 comprehensive nutrient management plan shall  
25 be eligible for any combination of technical as-  
26 sistance, incentive payments, and education.

1           “(3) EDUCATION.—The Secretary may provide  
 2           conservation education at national, State, and local  
 3           levels consistent with the purposes of the environ-  
 4           mental quality incentives program to—

5                   “(A) any producer that is eligible for as-  
 6                   sistance under this chapter; or

7                   “(B) any producer that is engaged in the  
 8                   production of an agricultural commodity.

9           “(b) APPLICATION AND TERM.—With respect to  
 10          practices implemented under this chapter—

11                   “(1) a contract between a producer and the  
 12          Secretary may—

13                   “(A) apply to 1 or more structural prac-  
 14                   tices, land management practices, and com-  
 15                   prehensive nutrient management planning prac-  
 16                   tices; and

17                   “(B) have a term of not less than 3, nor  
 18                   more than 10, years, as determined appropriate  
 19                   by the Secretary, depending on the practice or  
 20                   practices that are the basis of the contract; and

21                   “(2) each farm may not adopt more than 1  
 22                   structural practice involving nutrient management  
 23                   during the period of fiscal years 2003 through 2006.

24           “(c) APPLICATION AND EVALUATION.—



1           “(1) IN GENERAL.—The Secretary shall estab-  
 2           lish an application and evaluation process for award-  
 3           ing technical assistance, cost-share payments, and  
 4           incentive payments to a producer in exchange for the  
 5           performance of 1 or more practices that maximizes  
 6           environmental benefits per dollar expended.

7           “(2) COMPARABLE ENVIRONMENTAL VALUE.—

8                   “(A) IN GENERAL.—The Secretary shall  
 9                   establish a process for selecting applications for  
 10                  technical assistance, cost-share payments, and  
 11                  incentive payments when there are numerous  
 12                  applications for assistance for practices that  
 13                  would provide substantially the same level of  
 14                  environmental benefits.

15                  “(B) CRITERIA.—The process under sub-  
 16                  paragraph (A) shall be based on—

17                          “(i) a reasonable estimate of the pro-  
 18                          jected cost of the proposals described in  
 19                          the applications; and

20                          “(ii) the priorities established under  
 21                          this subtitle and other factors that maxi-  
 22                          mize environmental benefits per dollar ex-  
 23                          pended.

24           “(3) CONSENT OF OWNER.—If the producer  
 25           making an offer to implement a structural practice

1 is a tenant of the land involved in agricultural pro-  
 2 duction, for the offer to be acceptable, the producer  
 3 shall obtain the consent of the owner of the land  
 4 with respect to the offer.

5 “(4) BIDDING DOWN.—If the Secretary deter-  
 6 mines that the environmental values of 2 or more  
 7 applications for technical assistance, cost-share pay-  
 8 ments, or incentive payments are comparable, the  
 9 Secretary shall not assign a higher priority to the  
 10 application only because it would present the least  
 11 cost to the program established under this chapter.

12 “(d) COST-SHARE PAYMENTS.—

13 “(1) IN GENERAL.—Except as provided in para-  
 14 graph (2), the Federal share of cost-share payments  
 15 to a producer proposing to implement 1 or more  
 16 practices shall be not more than 75 percent of the  
 17 projected cost of the practice, as determined by the  
 18 Secretary.

19 “(2) EXCEPTIONS.—

20 “(A) LIMITED RESOURCE AND BEGINNING  
 21 FARMERS; NATURAL DISASTERS.—The Sec-  
 22 retary may increase the maximum Federal  
 23 share under paragraph (1) to not more than 90  
 24 percent if the producer is a limited resource  
 25 farmer or a beginning farmer or to address a

1 natural disaster, as determined by the Sec-  
 2 retary.

3 “(B) COST-SHARE ASSISTANCE FROM  
 4 OTHER SOURCES.—Any cost-share payments re-  
 5 ceived by a producer from a State or private or-  
 6 ganization or person for the implementation of  
 7 1 or more practices shall be in addition to the  
 8 Federal share of cost-share payments provided  
 9 to the producer under paragraph (1).

10 “(3) OTHER PAYMENTS.—A producer shall not  
 11 be eligible for cost-share payments for practices on  
 12 eligible land under this chapter if the producer re-  
 13 ceives cost-share payments or other benefits for the  
 14 same practice on the same land under chapter 1 and  
 15 this chapter.

16 “(e) INCENTIVE PAYMENTS.—The Secretary shall  
 17 make incentive payments in an amount and at a rate de-  
 18 termined by the Secretary to be necessary to encourage  
 19 a producer to perform 1 or more practices.

20 “(f) TECHNICAL ASSISTANCE.—

21 “(1) IN GENERAL.—The Secretary shall allo-  
 22 cate funding under this chapter for the provision of  
 23 technical assistance according to the purpose and  
 24 projected cost for which the technical assistance is  
 25 provided for a fiscal year.

1           “(2) AMOUNT.—The allocated amount may  
2 vary according to—

3                   “(A) the type of expertise required;

4                   “(B) the quantity of time involved; and

5                   “(C) other factors as determined appro-  
6 priate by the Secretary.

7           “(3) LIMITATION.—Funding for technical as-  
8 sistance under this chapter shall not exceed the pro-  
9 jected cost to the Secretary of the technical assist-  
10 ance provided for a fiscal year.

11           “(4) OTHER AUTHORITIES.—The receipt of  
12 technical assistance under this chapter shall not af-  
13 fect the eligibility of the producer to receive tech-  
14 nical assistance under other authorities of law avail-  
15 able to the Secretary.

16           “(5) NON-FEDERAL ASSISTANCE.—

17                   “(A) IN GENERAL.—The Secretary may re-  
18 quest the services of, and enter into a coopera-  
19 tive agreement with, a State water quality  
20 agency, State fish and wildlife agency, State  
21 forestry agency, or any other governmental or  
22 nongovernmental organization or person consid-  
23 ered appropriate to assist in providing the tech-  
24 nical assistance necessary to develop and imple-  
25 ment conservation plans under the program.

1 “(B) PRIVATE SOURCES.—

2 “(i) IN GENERAL.—The Secretary  
3 shall ensure that the processes of writing  
4 and developing proposals and plans for  
5 contracts under this chapter, and of assist-  
6 ing in the implementation of practices cov-  
7 ered by the contracts, are open to qualified  
8 private persons, including—

9 “(I) agricultural producers;

10 “(II) representatives from agri-  
11 cultural cooperatives;

12 “(III) agricultural input retail  
13 dealers;

14 “(IV) certified crop advisers;

15 “(V) persons providing technical  
16 consulting services; and

17 “(VI) other persons, as deter-  
18 mined appropriate by the Secretary.

19 “(ii) OTHER CONSERVATION PRO-  
20 GRAMS.—The requirements of this sub-  
21 paragraph shall also apply to each other  
22 conservation program of the Department  
23 of Agriculture.

24 “(6) INCENTIVE PAYMENTS FOR TECHNICAL AS-  
25 SISTANCE.—

1           “(A) IN GENERAL.—A producer that is eli-  
 2           gible to receive technical assistance for a prac-  
 3           tice involving the development of a comprehen-  
 4           sive nutrient management plan may obtain an  
 5           incentive payment that can be used to obtain  
 6           technical assistance associated with the develop-  
 7           ment of any component of the comprehensive  
 8           nutrient management plan.

9           “(B) PURPOSE.—The purpose of the pay-  
 10          ment shall be to provide a producer the option  
 11          of obtaining technical assistance for developing  
 12          any component of a comprehensive nutrient  
 13          management plan from a private person earlier  
 14          than the producer would otherwise receive the  
 15          technical assistance from the Secretary.

16          “(C) PAYMENT.—The incentive payment  
 17          shall be—

18               “(i) in addition to cost-share or incen-  
 19               tive payments that a producer would other-  
 20               wise receive for structural practices and  
 21               land management practices;

22               “(ii) used only to procure technical as-  
 23               sistance from a private person that is nec-  
 24               essary to develop any component of a com-  
 25               prehensive nutrient management plan; and

1 “(iii) in an amount determined appro-  
 2 priate by the Secretary, taking into  
 3 account—

4 “(I) the extent and complexity of  
 5 the technical assistance provided;

6 “(II) the costs that the Secretary  
 7 would have incurred in providing the  
 8 technical assistance; and

9 “(III) the costs incurred by the  
 10 private provider in providing the tech-  
 11 nical assistance.

12 “(D) ELIGIBLE PRACTICES.—The Sec-  
 13 retary may determine, on a case by case basis,  
 14 whether the development of a comprehensive  
 15 nutrient management plan is eligible for an in-  
 16 centive payment under this paragraph.

17 “(E) CERTIFICATION BY SECRETARY.—

18 “(i) IN GENERAL.—Only private per-  
 19 sons that have been certified by the Sec-  
 20 retary under section 16 of the Soil Con-  
 21 servation and Domestic Allotment Act  
 22 shall be eligible to provide technical assist-  
 23 ance under this subsection.

24 “(ii) QUALITY ASSURANCE.—The Sec-  
 25 retary shall ensure that certified private

1 providers are capable of providing technical  
 2 assistance regarding comprehensive nutri-  
 3 ent management in a manner that meets  
 4 the specifications and guidelines of the  
 5 Secretary and that meets the needs of pro-  
 6 ducers under the environmental quality in-  
 7 centives program.

8 “(F) ADVANCE PAYMENT.—On the deter-  
 9 mination of the Secretary that the proposed  
 10 comprehensive nutrient management of a pro-  
 11 ducer is eligible for an incentive payment, the  
 12 producer may receive a partial advance of the  
 13 incentive payment in order to procure the serv-  
 14 ices of a certified private provider.

15 “(G) FINAL PAYMENT.—The final install-  
 16 ment of the incentive payment shall be payable  
 17 to a producer on presentation to the Secretary  
 18 of documentation that is satisfactory to the  
 19 Secretary and that demonstrates—

20 “(i) completion of the technical assist-  
 21 ance; and

22 “(ii) the actual cost of the technical  
 23 assistance.

24 “(g) PARTNERSHIPS AND COOPERATION.—



1           “(1) PURPOSES.—The Secretary may designate  
2       special projects, as recommended by the State Con-  
3       servationist, with advice from the State technical  
4       committee, to enhance technical and financial assist-  
5       ance provided to several producers within a specific  
6       area to address environmental issues affected by ag-  
7       ricultural production with respect to—

8           “(A) meeting the purposes and require-  
9       ments of—

10           “(i) the Federal Water Pollution Con-  
11       trol Act (33 U.S.C. 1251 et seq.) or com-  
12       parable State laws in impaired or threat-  
13       ened watersheds;

14           “(ii) the Safe Drinking Water Act (42  
15       U.S.C. 300f et seq.) or comparable State  
16       laws in watersheds providing water for  
17       drinking water supplies; or

18           “(iii) the Clean Air Act (42 U.S.C.  
19       7401 et seq.) or comparable State laws; or

20           “(B) watersheds of special significance or  
21       other geographic areas of environmental sensi-  
22       tivity; or

23           “(C) enhancing the technical capacity of  
24       producers to facilitate community-based plan-  
25       ning, implementation of special projects, and

1 conservation education involving multiple pro-  
2 ducers within an area.

3 “(2) INCENTIVES.—To realize the objectives of  
4 the special projects under paragraph (1), the Sec-  
5 retary shall provide incentives to producers partici-  
6 pating in the special projects to encourage partner-  
7 ships and sharing of technical and financial re-  
8 sources among producers and among producers and  
9 governmental and nongovernmental organizations.

10 “(3) FUNDING.—

11 “(A) IN GENERAL.—The Secretary shall  
12 make available 5 percent of funds provided for  
13 each fiscal year under this chapter to carry out  
14 this subsection.

15 “(B) SPECIAL PROJECTS.—The purposes  
16 of the special projects under this subsection  
17 shall be to encourage—

18 “(i) producers to cooperate in the in-  
19 stallation and maintenance of conservation  
20 systems that affect multiple agricultural  
21 operations;

22 “(ii) sharing of information and tech-  
23 nical and financial resources; and

24 “(iii) cumulative environmental bene-  
25 fits across operations of producers.

1 “(4) FLEXIBILITY.—

2 “(A) IN GENERAL.—The Secretary may  
 3 enter into agreements with States, local govern-  
 4 mental and nongovernmental organizations, and  
 5 persons to allow greater flexibility to adjust the  
 6 application of eligibility criteria, approved prac-  
 7 tices, innovative conservation practices, and  
 8 other elements of the programs described in  
 9 subparagraph (B) to better reflect unique local  
 10 circumstances and goals in a manner that is  
 11 consistent with the purposes of this chapter.

12 “(B) APPLICABLE PROGRAMS.—Subpara-  
 13 graph (A) shall apply to—

14 “(i) the environmental quality incen-  
 15 tives program established by this chapter;

16 “(ii) the program to establish con-  
 17 servation buffers announced on March 24,  
 18 1998 (63 Fed. Reg. 14109) or a successor  
 19 program;

20 “(iii) the conservation reserve en-  
 21 hancement program announced on May 27,  
 22 1998 (63 Fed. Reg. 28965) or a successor  
 23 program; and

24 “(iv) the wetlands reserve program es-  
 25 tablished under subchapter C of chapter 1.

1           “(5) UNUSED FUNDING.—Any funds made  
 2           available for a fiscal year under this subsection that  
 3           are not obligated by June 1 of the fiscal year may  
 4           be used to carry out other activities under this chap-  
 5           ter during the fiscal year in which the funding be-  
 6           comes available.

7           “(h) MODIFICATION OR TERMINATION OF CON-  
 8 TRACTS.—

9           “(1) VOLUNTARY MODIFICATION OR TERMI-  
 10          NATION.—The Secretary may modify or terminate a  
 11          contract entered into with a producer under this  
 12          chapter if—

13                   “(A) the producer agrees to the modifica-  
 14                   tion or termination; and

15                   “(B) the Secretary determines that the  
 16                   modification or termination is in the public in-  
 17                   terest.

18          “(2) INVOLUNTARY TERMINATION.—The Sec-  
 19          retary may terminate a contract under this chapter  
 20          if the Secretary determines that the producer vio-  
 21          lated the contract.

22 **“SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.**

23          “In evaluating applications for technical assistance,  
 24          cost-share payments, and incentive payments, the Sec-

1   retary shall accord a higher priority to assistance and pay-  
 2   ments that—

3           “(1) maximize environmental benefits per dollar  
 4       expended; and

5           “(2)(A) address national conservation priorities  
 6       involving—

7               “(i) comprehensive nutrient management;

8               “(ii) water quality, particularly in impaired  
 9       watersheds;

10              “(iii) soil erosion; or

11              “(iv) air quality;

12           “(B) are provided in conservation priority areas  
 13       established under section 1230(c); or

14           “(C) are provided in special projects under sec-  
 15       tion 1240B(g) with respect to which State or local  
 16       governments have provided, or will provide, financial  
 17       or technical assistance to producers for the same  
 18       conservation or environmental purposes.

19   **“SEC. 1240D. DUTIES OF PRODUCERS.**

20       “To receive technical assistance, cost-share pay-  
 21   ments, or incentive payments under this chapter, a pro-  
 22   ducer shall agree—

23           “(1) to implement an environmental quality in-  
 24       centives program plan that describes conservation

1 and environmental goals to be achieved through 1 or  
2 more practices that are approved by the Secretary;

3 “(2) not to conduct any practices on the farm  
4 or ranch that would tend to defeat the purposes of  
5 this chapter;

6 “(3) on the violation of a term or condition of  
7 the contract at any time the producer has control of  
8 the land, to refund any cost-share or incentive pay-  
9 ment received with interest, and forfeit any future  
10 payments under this chapter, as determined by the  
11 Secretary;

12 “(4) on the transfer of the right and interest of  
13 the producer in land subject to the contract, unless  
14 the transferee of the right and interest agrees with  
15 the Secretary to assume all obligations of the con-  
16 tract, to refund all cost-share payments and incen-  
17 tive payments received under this chapter, as deter-  
18 mined by the Secretary;

19 “(5) to supply information as required by the  
20 Secretary to determine compliance with the environ-  
21 mental quality incentives program plan and require-  
22 ments of the program; and

23 “(6) to comply with such additional provisions  
24 as the Secretary determines are necessary to carry

1 out the environmental quality incentives program  
2 plan.

3 **“SEC. 1240E. ENVIRONMENTAL QUALITY INCENTIVES PRO-**  
4 **GRAM PLAN.**

5 “(a) IN GENERAL.—To be eligible to receive technical  
6 assistance, cost-share payments, or incentive payments  
7 under the environmental quality incentives program, an  
8 owner or producer of a livestock or agricultural operation  
9 must submit to the Secretary for approval a plan of oper-  
10 ations that incorporates practices covered under this chap-  
11 ter, and is based on such principles, as the Secretary con-  
12 siderers necessary to carry out the program, including a de-  
13 scription of the practices to be implemented and the objec-  
14 tives to be met by the implementation of the plan.

15 “(b) AVOIDANCE OF DUPLICATION.—The Secretary  
16 shall, to the maximum extent practicable, eliminate dupli-  
17 cation of planning activities under the environmental qual-  
18 ity incentives program and comparable conservation pro-  
19 grams.

20 **“SEC. 1240F. DUTIES OF THE SECRETARY.**

21 “To the extent appropriate, the Secretary shall assist  
22 a producer in achieving the conservation and environ-  
23 mental goals of an environmental quality incentives pro-  
24 gram plan by—

1           “(1) providing technical assistance in devel-  
2           oping and implementing the plan;

3           “(2) providing technical assistance, cost-share  
4           payments, or incentive payments for developing and  
5           implementing 1 or more practices, as appropriate;

6           “(3) providing the producer with information,  
7           education, and training to aid in implementation of  
8           the plan; and

9           “(4) encouraging the producer to obtain tech-  
10          nical assistance, cost-share payments, or grants from  
11          other Federal, State, local, or private sources.

12   **“SEC. 1240G. LIMITATION ON PAYMENTS.**

13          “(a) IN GENERAL.—Subject to subsection (b), the  
14          total amount of cost-share and incentive payments paid  
15          to a producer under this chapter may not exceed—

16               “(1) \$50,000 for any fiscal year; or

17               “(2) \$150,000 for any multiyear contract.

18          “(b) CONTRIBUTION.—An individual or entity may not  
19          receive, directly or indirectly, payments under this chapter  
20          that exceed \$50,000 for any fiscal year.

21          “(c) VERIFICATION.—The Secretary shall identify in-  
22          dividuals and entities that are eligible for a payment under  
23          this chapter using social security numbers and taxpayer  
24          identification numbers, respectively.



1 **“SEC. 1240H. CONSERVATION INNOVATION GRANTS.**

2 “(a) IN GENERAL.—From funds made available to  
 3 carry out this chapter, the Secretary shall use  
 4 \$100,000,000 for each fiscal year to pay the Federal share  
 5 of competitive grants that are intended to stimulate inno-  
 6 vative approaches to leveraging Federal investment in en-  
 7 vironmental enhancement and protection, in conjunction  
 8 with agricultural production, through the environmental  
 9 quality incentives program.

10 “(b) USE.—The Secretary shall award grants under  
 11 this section to governmental and nongovernmental organi-  
 12 zations and persons, on a competitive basis, to carry out  
 13 projects that—

14 “(1) involve producers that are eligible for pay-  
 15 ments or technical assistance under this chapter;

16 “(2) implement innovative projects, such as—

17 “(A) market-based pollution credit trading;  
 18 and

19 “(B) provision of funds to promote adop-  
 20 tion of best management practices and the stor-  
 21 ing of carbon in the soil; and

22 “(3) leverage funds made available to carry out  
 23 this chapter with matching funds provided by State  
 24 and local governments and private organizations to  
 25 promote environmental enhancement and protection  
 26 in conjunction with agricultural production.

1       “(c) FEDERAL SHARE.—The Federal share of a  
 2 grant made to carry out a project under this section shall  
 3 not exceed 50 percent of the cost of the project.

4       “(d) UNUSED FUNDING.—Any funds made available  
 5 for a fiscal year under this section that are not obligated  
 6 by June 1 of the fiscal year may be used to carry out  
 7 other activities under this chapter during the fiscal year  
 8 in which the funding becomes available.

9       **“SEC. 1240I. WORKING LAND ENVIRONMENTAL IMPROVE-**  
 10                               **MENT OPTION.**

11       “(a) PURPOSES.—The purposes of this section are—

12               “(1) to provide incentives to producers on agri-  
 13 cultural working land to attain increased environ-  
 14 mental benefits by implementing a systems approach  
 15 to the conservation needs on the farm or ranch of  
 16 the producer;

17               “(2) to target conservation systems instead of  
 18 individual conservation practices;

19               “(3) to emphasize more comprehensive,  
 20 multiyear agreements that enable a more integrated  
 21 natural resource plan for the farm or ranch of the  
 22 producer; and

23               “(4) to emphasize conservation systems that are  
 24 based on land management instead of structural  
 25 practices or land retirement.

1       “(b) DEFINITION OF CONSERVATION SYSTEM.—In  
 2 this section, the term ‘conservation system’ means a set  
 3 of multiple conservation practices that—

4           “(1) address 1 or more natural resources on a  
 5 farm or ranch of a producer;

6           “(2) requires planning, implementation, man-  
 7 agement, and maintenance;

8           “(3) promotes 1 or more conservation purposes  
 9 identified in the plan developed and approved by the  
 10 Secretary under section 1240D;

11          “(4) has not been implemented on the applica-  
 12 ble agricultural land of the producer before receipt  
 13 of a payment under this section; and

14          “(5) involves—

15           “(A) a basic conservation activity, such as  
 16 pest management, contour farming, residue  
 17 management, nutrient management, or similar  
 18 activities, as determined by the Secretary;

19           “(B) a land use adjustment or protection  
 20 activity, such as resource-conserving crop rota-  
 21 tion, controlled, rotational grazing, or similar  
 22 activities, as determined by the Secretary; or

23           “(C) an activity that fosters the long-term  
 24 sustainability of all natural resources on the ag-

1           ricultural operation, as determined by the Sec-  
2           retary.

3           “(c) ESTABLISHMENT.—

4           “(1) IN GENERAL.—The Secretary shall estab-  
5           lish a program that is designed to—

6           “(A) function as part of the environmental  
7           quality incentives program under this chapter;  
8           and

9           “(B) provide an option for producers to re-  
10          ceive a bonus payment for engaging in new and  
11          more environmentally beneficial conservation  
12          practices on agricultural working land.

13          “(2) CONTRACT.—

14          “(A) IN GENERAL.—In exchange for a pro-  
15          ducer entering into a working land environ-  
16          mental improvement option contract, the Sec-  
17          retary shall provide an annual bonus payment,  
18          in an amount determined by the Secretary, to  
19          the producer in accordance with the contract.

20          “(B) RELATION TO EQUIP.—A contract  
21          under this section may be a component of, or  
22          separate from, a contract under section 1240B.

23          “(C) TERM.—A contract entered into  
24          under this section shall have a term of not less  
25          than 5, nor more than 10, years.

1           “(D) LINKAGE.—The Secretary shall not  
 2           require that any producer enter into a contract  
 3           under any other program under this chapter to  
 4           be eligible to receive a bonus payment under a  
 5           contract entered into under this section.

6           “(3) CONSERVATION SYSTEM PLAN.—

7           “(A) IN GENERAL.—A conservation system  
 8           plan developed under this section that incor-  
 9           porates an integrated approach to conservation  
 10          of natural resources on the farm or ranch of a  
 11          producer may be included in a plan developed  
 12          under section 1240D, under which conservation  
 13          goals are achieved through individual practices.

14          “(B) ELIGIBLE SYSTEMS.—A conservation  
 15          system that is eligible for a bonus payment  
 16          under this section may be associated with a  
 17          land management practice, structural practice,  
 18          or comprehensive nutrient management practice  
 19          that has been otherwise approved by the Sec-  
 20          retary under this chapter.

21          “(4) IDENTIFICATION OF CONSERVATION SYS-  
 22          TEMS.—The State Conservationist and State Tech-  
 23          nical Committee for each State shall identify con-  
 24          servation activities that, in combination—

1           “(A) address the geographical, agronomic,  
2           and environmental conditions that are unique to  
3           the State or area; and

4           “(B) qualify as conservation systems under  
5           this section.

6           “(5) BONUS PAYMENTS.—A producer that im-  
7           plements a conservation system shall be eligible to  
8           receive an annual bonus payment that is in addition  
9           to any incentive payment, cost share payment, or  
10          technical assistance available to the producer under  
11          this chapter.

12          “(d) EVALUATION OF CONTRACT OFFERS.—

13           “(1) EVALUATION FACTORS.—In order to maxi-  
14          mize environmental benefits per dollar expended  
15          under this section, the Secretary shall establish a list  
16          of multiple evaluation factors that are to be used to  
17          evaluate and rank the conservation systems proposed  
18          by producers.

19           “(2) REQUIRED PRIORITY FACTORS.—The Sec-  
20          retary shall give priority to offers that—

21           “(A) demonstrate the prior use of a con-  
22          servation activity, such as conservation tillage;

23           “(B) address multiple natural resource  
24          conservation goals;

1           “(C) implement more comprehensive con-  
2           servation systems; or

3           “(D) are submitted by a limited resource  
4           farmer, beginning farmer, or Indian tribe (as  
5           defined in section 4 of the Indian Self-Deter-  
6           mination and Education Assistance Act (25  
7           U.S.C. 450b)), as determined by the Secretary.

8           “(3) DISCRETIONARY FACTORS.—Additional  
9           evaluation factors may include—

10           “(A) the number of farms and ranches  
11           within the soil and water conservation district  
12           in which the agricultural operation of the pro-  
13           ducer is located;

14           “(B) with respect to the agricultural oper-  
15           ation of the producer—

16           “(i) soil erosion;

17           “(ii) the potential for pesticide and  
18           nutrient leaching;

19           “(iii) animal waste generation; and

20           “(iv) wetland; and

21           “(C) other factors, as determined by the  
22           Secretary.

23           “(4) POINTS.—Each evaluation factor shall be  
24           accorded a point value as determined by the Sec-  
25           retary.

1           “(5) OFFERS.—Each offer of a producer to  
 2       enter into a contract under this section shall be  
 3       ranked by the Secretary according to the number of  
 4       points assigned the conservation system proposed in  
 5       the offer.

6           “(e) PROCEDURE FOR RANKING AND SELECTING OF-  
 7       FERS.—

8           “(1) LOCAL ENVIRONMENTAL PROBLEMS AND  
 9       PRIORITIES.—Each soil and water conservation dis-  
 10      trict, or local working group, as designated by the  
 11      Secretary, shall—

12               “(A) identify the environmental problems  
 13              that exist within the district; and

14               “(B) determine which conservation systems  
 15              and practices would best ameliorate the envi-  
 16              ronmental problems of the district; and

17               “(C) make recommendations to the State  
 18              conservationist and State technical committee  
 19              of the respective State concerning the issues de-  
 20              scribed in subparagraphs (A) and (B).

21           “(2) STATE CONSERVATIONIST.—The State  
 22      conservationist for each State, in consultation with  
 23      the State technical committee, shall—



1           “(A) summarize the information and rec-  
 2 ommendations provided by each soil and water  
 3 conservation district of the State; and

4           “(B) transmit the information and rec-  
 5 ommendations to the Secretary (including a de-  
 6 tailed description of intended priorities for  
 7 funding within the State).

8           “(3) STATE FUNDING ALLOCATIONS.—

9           “(A) IN GENERAL.—The Secretary may  
 10 use the information and recommendations sup-  
 11 plied by each State Conservationist, including  
 12 natural resource inventories, statistical studies,  
 13 and reports, to determine funding allocations  
 14 under this section for each State.

15           “(B) ELEMENTS OF ALLOCATION DETER-  
 16 MINATIONS.—A funding allocation shall be de-  
 17 termined on the basis of—

18           “(i) the evaluation factors described in  
 19 subsection (d); and

20           “(ii) the information and rec-  
 21 ommendations summarized by State con-  
 22 servationists under paragraph (2)(A).

23           “(C) NOTIFICATION.—The State conserva-  
 24 tionist for each State shall be notified of the  
 25 funding allocation for the State.

1           “(4) RANKING, SELECTION OF OFFERS, AND  
2       AWARD OF BONUS PAYMENTS.—

3           “(A) RANKING OFFERS.—The State con-  
4       servationist of the appropriate State, in con-  
5       sultation with the State technical committee  
6       and the soil and water conservation district in  
7       which the agricultural operation of a producer  
8       is located, shall rank each offer according to—

9                   “(i) the criteria established by the  
10               Secretary; and

11                   “(ii) the number of points awarded to  
12               the offer.

13           “(B) ACCEPTANCE OF OFFERS.—Based on  
14       the ranking of each offer of a producer by the  
15       State and the availability of funds for the State,  
16       the State conservationist may accept offers of  
17       producers that will receive bonus payments.

18           “(C) DETERMINATION OF BONUS PAY-  
19       MENTS.—The State conservationist, in con-  
20       sultation with the State technical committee,  
21       and in consultation with the soil and water con-  
22       servation district in which the agricultural oper-  
23       ation of a producer is located, shall determine  
24       the amount of the bonus payment applicable to

the conservation system that the producer offers to implement.

“(D) DETERMINATION OF AMOUNT OF BONUS PAYMENTS.—The amount of an annual bonus payment, to the extent practicable, shall be determined by the State conservationist, in consultation with the State technical committee and the soil and water conservation district in which the agricultural operation of the producer is located, using criteria established under the guidelines described in subparagraph (E).

“(E) GUIDELINES.—The criteria used to determine the amount of a bonus payment may be—

“(i) as objective and transparent as practicable; and

“(ii) based on—

“(I) to the maximum extent practicable, outcome-based factors relating to the natural resource and environmental benefits that result from the adoption, maintenance, and improvement in implementation of the conservation practice carried out by the producer;

1 “(II) system-based factors,  
2 including—

3 “(aa) the level and extent of  
4 conservation systems to be estab-  
5 lished or maintained;

6 “(bb) the cost of the adop-  
7 tion, maintenance, and improve-  
8 ment in implementation of the  
9 conservation system;

10 “(cc) the income loss that  
11 would be experienced, or eco-  
12 nomic value that would be for-  
13 gone, by the producer because of  
14 land use adjustments resulting  
15 from the adoption, maintenance,  
16 and improvement of the con-  
17 servation system; and

18 “(dd) the extent to which  
19 compensation would ensure main-  
20 tenance and improvement of the  
21 conservation system; and

22 “(III) such other factors as the  
23 Secretary determines to be appro-  
24 priate to encourage participation  
25 under this section.

1       “(f) LIMITATION ON ASSISTANCE.—The total amount  
2 of bonus payments a producer may receive under this sec-  
3 tion shall not exceed \$25,000 for any fiscal year.

4       “(g) FUNDING.—Of the funds made available to  
5 carry out this chapter, the Secretary shall use to carry  
6 out this section—

7               “(1) \$100,000,000 for fiscal year 2003;

8               “(2) \$150,000,000 for fiscal year 2004; and

9               “(3) \$400,000,000 for each of fiscal years 2005  
10 and 2006.”.

11       (b) FUNDING.—Section 1241(b) of the Food Security  
12 Act of 1985 (16 U.S.C. 3841(b)) is amended—

13               (1) in paragraph (1), by striking  
14 “\$130,000,000” and all that follows through  
15 “2002,” and inserting “\$750,000,000 for fiscal year  
16 2003, \$1,250,000,000 for fiscal year 2004, and  
17 \$2,150,000,000 for each of fiscal years 2005  
18 through 2006,”; and

19               (2) by striking paragraph (2) and inserting the  
20 following:

21               “(2) OBLIGATION OF FUNDS.—

22                       “(A) IN GENERAL.—If a contract under  
23 the environmental quality incentives program  
24 under chapter 4 of subtitle D is terminated  
25 prior to the end of the term of the contract and

1 funds obligated for the contract are remaining,  
 2 the remaining funds may be used to carry out  
 3 any other contract under the program during  
 4 the same fiscal year in which the original con-  
 5 tract was terminated.

6 “(B) ADDITIONAL USES OF FUNDS.—

7 Funding for contracts that terminate under the  
 8 program administered under subchapter B of  
 9 chapter 1 may be transferred to, and used to  
 10 carry out, the program under chapter 4 of sub-  
 11 title D.”.

12 (c) COOPERATION WITH OTHER GOVERNMENT

13 AGENCIES.—Section 11 of the Commodity Credit Cor-  
 14 poration Charter Act (15 U.S.C. 714i) is amended in the  
 15 last sentence by inserting “but excluding transfers and al-  
 16 lotments for conservation technical assistance” after “ac-  
 17 tivities”.

18 **SEC. 202. CONSERVATION RESERVE PROGRAM.**

19 (a) EXTENSION OF PROGRAM.—

20 (1) IN GENERAL.—Section 1231 of the Food  
 21 Security Act of 1985 (16 U.S.C. 3831) is  
 22 amended—

23 (A) in subsections (a) and (b)(3), by strik-  
 24 ing “2002” each place it appears and inserting  
 25 “2006”;

1 (B) in subsection (d)—

2 (i) by striking “2002” and inserting  
3 “2006”; and

4 (ii) by striking “36,400,000” and in-  
5 serting “40,000,000”; and

6 (C) in subsection (h)(1), by striking “the  
7 2001 and 2002” and inserting “each of the  
8 2001 through 2006”.

9 (2) DUTIES OF OWNERS AND OPERATORS.—

10 Section 1232(c) of the Food Security Act of 1985  
11 (16 U.S.C. 3832(c)) is amended by striking “2002”  
12 and inserting “2006”.

13 (b) CONSERVATION BUFFERS AND CONSERVATION  
14 RESERVE ENHANCEMENT PROGRAM.—Section 1231 of  
15 the Food Security Act of 1985 (16 U.S.C. 3831) is  
16 amended—

17 (1) in subsection (b)(4)—

18 (A) in subparagraph (C), by striking “or”  
19 at the end;

20 (B) in subparagraph (D), by striking the  
21 period at the end and inserting “; or”; and

22 (C) by adding at the end the following:

23 “(E) if the Secretary determines that the  
24 cropland is a part of a field and is no longer

1           feasible to farm as a result of the remainder of  
2           the field having been enrolled—

3                   “(i) to establish conservation buffers  
4                   as part of the program announced on  
5                   March 24, 1998 (63 Fed. Reg. 14109) or  
6                   a successor program; or

7                   “(ii) into the conservation reserve en-  
8                   hancement program announced on May 27,  
9                   1998 (63 Fed. Reg. 28965) or a successor  
10                  program.”; and

11           (2) in subsection (d)—

12                   (A) by striking “2002” and inserting  
13                   “2006”; and

14                   (B) by inserting before the period at the  
15                   end the following: “, of which not less than  
16                   4,000,000 acres shall be enrolled—

17                   “(1) to establish conservation buffers as part of  
18                   the program announced on March 24, 1998 (63  
19                   Fed. Reg. 14109) or a successor program; and

20                   “(2) through the conservation reserve enhance-  
21                   ment program announced on May 27, 1998 (63 Fed.  
22                   Reg. 28965) or a successor program.”.

23           (c) HARDWOOD TREES.—Section 1231(e)(2) of the  
24           Food Security Act of 1985 (16 U.S.C. 3831(e)(2)) is  
25           amended—



1           (1) by striking “In the” and inserting the fol-  
 2       lowing:

3                   “(A) IN GENERAL.—In the”;

4           (2) by striking “The Secretary” and inserting  
 5       the following:

6                   “(B) EXISTING HARDWOOD TREE CON-  
 7       TRACTS.—The Secretary”; and

8           (3) by adding at the end the following:

9                   “(C) EXTENSION OF HARDWOOD TREE  
 10      CONTRACTS.—

11                   “(i) IN GENERAL.—In the case of  
 12                   land devoted to hardwood trees under a  
 13                   contract entered into under this subchapter  
 14                   before the date of enactment of this sub-  
 15                   paragraph, on the request of the owner or  
 16                   operator of the land, the Secretary shall  
 17                   extend the contract for a term of 15 years.

18                   “(ii) RENTAL PAYMENTS.—The  
 19                   amount of a rental payment for a contract  
 20                   extended under clause (i) shall be 50 per-  
 21                   cent of the rental payment that was appli-  
 22                   cable to the contract before the contract  
 23                   was extended.”.

1 (d) HAYING AND GRAZING ON BUFFER STRIPS.—  
 2 Section 1232(a)(7) of the Food Security Act of 1985 (16  
 3 U.S.C. 3832(a)(7)) is amended—

4 (1) by striking “except that the Secretary—”  
 5 and inserting “except that—”;

6 (2) in subparagraph (A)—

7 (A) by striking “(A) may” and inserting  
 8 “(A) the Secretary may”; and

9 (B) by striking “and” at the end;

10 (3) in subparagraph (B)—

11 (A) by striking “(B) shall” and inserting  
 12 “(B) the Secretary shall”; and

13 (B) by striking the period at the end and  
 14 inserting a semicolon;

15 (4) in subparagraph (C), by striking the period  
 16 at the end and inserting “; and”; and

17 (5) by adding at the end the following:

18 “(D) for maintenance purposes, the Sec-  
 19 retary shall permit harvesting or grazing or  
 20 other commercial uses of forage, in a manner  
 21 that is consistent with the purposes of this sub-  
 22 chapter and a conservation plan approved by  
 23 the Secretary, on acres enrolled—

24 “(i) to establish conservation buffers  
 25 as part of the program announced on

1 March 24, 1998 (63 Fed. Reg. 14109) or  
2 a successor program; and

3 “(ii) into the conservation reserve en-  
4 hancement program announced on May 27,  
5 1998 (63 Fed. Reg. 28965) or a successor  
6 program.”.

7 (e) COST SHARE FOR HARDWOOD TREES.—Section  
8 1234(b)(3) of the Food Security Act of 1985 (16 U.S.C.  
9 3834(b)(3)) is amended by striking “4-year” and inserting  
10 “5-year”.

11 (f) BASE HISTORY.—Section 1236 of the Food Secu-  
12 rity Act of 1985 (16 U.S.C. 3836) is amended by striking  
13 subsection (d) and inserting the following:

14 “(d) REDUCTION OR TERMINATION OF CROPLAND.—

15 “(1) IN GENERAL.—In addition to any other  
16 remedy available under any other law, the Secretary  
17 may reduce or terminate the quantity of cropland  
18 base and allotment history preserved under sub-  
19 section (c) for acreage with respect to which a viola-  
20 tion of a term or condition of a contract covering  
21 that acreage occurs.

22 “(2) REQUIRED TERMINATION.—The Secretary  
23 shall terminate the cropland base and allotment his-  
24 tory for all cropland—

25 “(A) enrolled under this subchapter; and

1 “(B) used for—

2 “(i) the planting of hardwood trees  
3 under section 1231(e)(2);

4 “(ii) the pilot program under section  
5 1231(h); or

6 “(iii) enrollment—

7 “(I) to establish conservation  
8 buffers as part of the program an-  
9 nounced on March 24, 1998 (63 Fed.  
10 Reg. 14109) or a successor program;  
11 or

12 “(II) in the program announced  
13 on May 27, 1998 (63 Fed. Reg.  
14 28965) or a successor program.”.

15 (g) FUNDING.—Section 1241(a) of the Food Security  
16 Act of 1985 (16 U.S.C. 3841(a)) is amended—

17 (1) by striking “1996 through 2002” and in-  
18 serting “2003 through 2006”; and

19 (2) in paragraph (1), by inserting “, including  
20 technical assistance” before the semicolon at the  
21 end.

22 **SEC. 203. WETLANDS RESERVE PROGRAM.**

23 (a) MAXIMUM ENROLLMENT.—Section 1237(b)(1) of  
24 the Food Security Act of 1985 (16 U.S.C. 3837(b)(1))

1 is amended by striking “975,000 acres” and inserting  
2 “1,975,000 acres”.

3 (b) EXTENSION OF PROGRAM.—Section 1237(c) of  
4 the Food Security Act of 1985 (16 U.S.C. 3837(c)) is  
5 amended by striking “2002” and inserting “2006”.

6 (c) WETLANDS RESERVE ENHANCEMENT PRO-  
7 GRAM.—Section 1237 of the Food Security Act of 1985  
8 (16 U.S.C. 3837) is amended by adding at the end the  
9 following:

10 “(h) WETLANDS RESERVE ENHANCEMENT PRO-  
11 GRAM.—

12 “(1) IN GENERAL.—The Secretary may enter  
13 into cooperative agreements with State or local gov-  
14 ernments, and with private organizations, to develop,  
15 on land that is enrolled, or is eligible to be enrolled,  
16 in the wetland reserve established under this sub-  
17 chapter, wetland restoration activities in watershed  
18 areas.

19 “(2) PURPOSE.—The purpose of the agree-  
20 ments shall be to address critical environmental  
21 issues, including hypoxia, eutrophication, wildlife  
22 habitat, flooding, and groundwater recharge.

23 “(3) LIMITATION.—The total number of acres  
24 that may be covered by agreements entered into

1       under this subsection shall not exceed 50,000 acres  
2       for each calendar year.”.

3       (d) MONITORING AND MAINTENANCE.—Section  
4       1237C(a)(2) of the Food Security Act of 1985 (16 U.S.C.  
5       3837c(a)(2)) is amended by striking “assistance” and in-  
6       serting “assistance (including monitoring and mainte-  
7       nance)”.

8       (e) TECHNICAL ASSISTANCE.—Section 1241(a)(2) of  
9       the Food Security Act of 1985 (16 U.S.C. 3841(a)(2)) is  
10      amended by inserting “, including technical assistance”  
11      before the semicolon at the end.

12      **SEC. 204. FARMLAND AND GRASSLAND PROTECTION PRO-**  
13                                      **GRAM.**

14      Section 388 of the Federal Agriculture Improvement  
15      and Reform Act of 1996 (16 U.S.C. 3830 note; Public  
16      Law 104–127) is amended to read as follows:

17      **“SEC. 388. FARMLAND AND GRASSLAND PROTECTION PRO-**  
18                                      **GRAM.**

19      “(a) DEFINITION OF AGRICULTURAL LAND.—In this  
20      section, the term ‘agricultural land’ means land on a farm  
21      or ranch that is—

22                      “(1) cropland;

23                      “(2) rangeland or grassland;

24                      “(3) pastureland; or

25                      “(4) private forest land.

1       “(b) ESTABLISHMENT.—The Secretary of Agri-  
 2 culture shall establish and carry out a farmland protection  
 3 program under which the Secretary shall purchase con-  
 4 servation easements or other interests in agricultural land  
 5 with prime, unique, or other productive soil that is subject  
 6 to a pending offer for the purpose of protecting topsoil  
 7 by limiting nonagricultural uses of the land from—

8               “(1) any agency of any State or local govern-  
 9 ment, or federally recognized Indian tribe, including  
 10 farmland protection boards and land resource coun-  
 11 cils established under State law; and

12              “(2) any organization that—

13                   “(A) is organized for, and at all times  
 14 since the formation of the organization has  
 15 been operated principally for, 1 or more of the  
 16 conservation purposes specified in clauses (i),  
 17 (ii), and (iii) of section 170(h)(4)(A) of the In-  
 18 ternal Revenue Code of 1986;

19                   “(B) is an organization described in sec-  
 20 tion 501(c)(3) of that Code that is exempt from  
 21 taxation under section 501(a) of that Code;

22                   “(C) is described in section 509(a)(2) of  
 23 that Code; or

1           “(D) is described in section 509(a)(3) of  
 2           that Code and is controlled by an organization  
 3           described in section 509(a)(2) of that Code.

4           “(c) CONSERVATION PLAN.—Any agricultural land  
 5           for which a conservation easement or other interest is pur-  
 6           chased under this section shall be subject to the require-  
 7           ments of a conservation plan that ensures that continued  
 8           agricultural use of the agricultural land—

9           “(1) will not degrade the environment; and

10          “(2) in the case of cropland, will require the  
 11          conversion of the agricultural land to less intensive  
 12          uses, at the option of the Secretary.

13          “(d) FUNDING.—

14          “(1) IN GENERAL.—Of the funds of the Com-  
 15          modity Credit Corporation, the Secretary shall make  
 16          available \$65,000,000 for each of fiscal years 2003  
 17          through 2006 for providing technical assistance and  
 18          purchasing conservation easements under this sec-  
 19          tion.

20          “(2) COST SHARING.—

21          “(A) FEDERAL SHARE.—The Federal  
 22          share of the cost of purchasing a conservation  
 23          easement or other interest described in sub-  
 24          section (b) shall not exceed 50 percent.



1           “(B) NON-FEDERAL SHARE.—The non-  
 2           Federal share of the cost of any project relating  
 3           to the purchase of a conservation easement  
 4           under this section may be made in the form of  
 5           donations from any non-Federal source (includ-  
 6           ing donations of conservation easements in a  
 7           project area) that materially advance the goals  
 8           of the project, as determined by the Sec-  
 9           retary.”.

10 **SEC. 205. WILDLIFE HABITAT INCENTIVE PROGRAM.**

11           Section 387(c) of the Federal Agriculture Improve-  
 12           ment and Reform Act of 1996 (16 U.S.C. 3836a(c)) is  
 13           amended by striking “a total of \$50,000,000 shall be  
 14           made available for fiscal years 1996 through 2002” and  
 15           inserting “the Secretary shall make available \$50,000,000  
 16           for each of fiscal years 2003 through 2006”.

17 **Subtitle B—Miscellaneous Reforms**  
 18 **and Extensions**

19 **SEC. 211. PRIVACY OF PERSONAL INFORMATION RELATING**  
 20 **TO NATURAL RESOURCES CONSERVATION**  
 21 **PROGRAMS.**

22           Subtitle E of title XII of the Food Security Act of  
 23           1985 (16 U.S.C. 3841 et seq.) is amended—

1           (1) by redesignating sections 1244 and 1245  
 2           (16 U.S.C. 3844, 3845) as sections 1245 and 1246,  
 3           respectively; and

4           (2) by inserting after section 1243 (16 U.S.C.  
 5           3843) the following:

6   **“SEC. 1244. PRIVACY OF PERSONAL INFORMATION RELAT-**  
 7                           **ING TO NATURAL RESOURCES CONSERVA-**  
 8                           **TION PROGRAMS.**

9           “(a) INFORMATION RECEIVED FOR TECHNICAL AND  
 10          FINANCIAL ASSISTANCE.—

11           “(1) IN GENERAL.—In accordance with section  
 12          552(b)(3) of title 5, United States Code, except as  
 13          provided in paragraph (3) and subsection (c), infor-  
 14          mation described in paragraph (2) —

15                       “(A) shall not be considered to be public  
 16          information; and

17                       “(B) shall not be released to any person or  
 18          Federal, State, local, or tribal agency outside  
 19          the Department of Agriculture.

20           “(2) INFORMATION.—The information referred  
 21          to in paragraph (1) is information—

22                       “(A) provided to, or developed by, the Sec-  
 23          retary (including a contractor of the Secretary)  
 24          for the purpose of providing technical or finan-  
 25          cial assistance to an owner or producer with re-

1           spect to any natural resources conservation pro-  
 2           gram administered by the Natural Resources  
 3           Conservation Service or the Farm Service Agen-  
 4           cy; and

5           “(B) that is proprietary to the agricultural  
 6           operation or land that is a part of an agricul-  
 7           tural operation of the owner or producer.

8           “(3) EXCEPTION.—Information compiled by the  
 9           Secretary, such as a list of owners or producers that  
 10          have received payments from the Secretary and the  
 11          amounts received, shall be—

12           “(A) considered to be public information;  
 13          and

14           “(B) may be released to any person or any  
 15          Federal, State, local, or tribal agency outside  
 16          the Department of Agriculture.

17          “(b) INVENTORY, MONITORING, AND SITE SPECIFIC  
 18          INFORMATION.—Except as provided in subsection (c) and  
 19          notwithstanding any other provision of law, in order to  
 20          maintain the personal privacy, confidentiality, and co-  
 21          operation of owners and producers, and to maintain the  
 22          integrity of sample sites, the specific geographic locations  
 23          of the National Resources Inventory of the Department  
 24          of Agriculture data gathering sites and the information  
 25          generated by those sites—

1           “(1) shall not be considered to be public infor-  
2           mation; and

3           “(2) shall not be released to any person or Fed-  
4           eral, State, local, or tribal agency outside the De-  
5           partment of Agriculture.

6           “(c) EXCEPTIONS.—

7           “(1) RELEASE AND DISCLOSURE FOR ENFORCE-  
8           MENT.—The Secretary may release or disclose to the  
9           Attorney General information covered by subsection  
10          (a) or (b) to the extent necessary to enforce the nat-  
11          ural resources conservation programs referred to in  
12          subsection (a).

13          “(2) DISCLOSURE TO COOPERATING PERSONS  
14          AND AGENCIES.—

15               “(A) IN GENERAL.—The Secretary may re-  
16               lease or disclose information covered by sub-  
17               section (a) or (b) to a person or Federal, State,  
18               local, or tribal agency working in cooperation  
19               with the Secretary in providing technical and fi-  
20               nancial assistance described in subsection (a) or  
21               collecting information from National Resources  
22               Inventory data gathering sites.

23               “(B) USE OF INFORMATION.—The person  
24               or Federal, State, local, or tribal agency that  
25               receives information described in subparagraph

(A) may release the information only for the purpose of assisting the Secretary—

“(i) in providing the requested technical or financial assistance; or

“(ii) in collecting information from National Resources Inventory data gathering sites.

“(3) STATISTICAL AND AGGREGATE INFORMATION.—Information covered by subsection (b) may be disclosed to the public if the information has been transformed into a statistical or aggregate form that does not allow the identification of any individual owner, producer, or specific data gathering site.

“(4) CONSENT OF OWNER OR PRODUCER.—

“(A) IN GENERAL.—An owner or producer may consent to the disclosure of information described in subsection (a) or (b).

“(B) CONDITION OF OTHER PROGRAMS.—

The participation of the owner or producer in, and the receipt of any benefit by the owner or producer under, this title or any other program administered by the Secretary may not be conditioned on the owner or operator providing consent under this paragraph.

1       “(d) VIOLATIONS; PENALTIES.—Section 1770(c)  
 2 shall apply with respect to the release of information col-  
 3 lected in any manner or for any purpose prohibited by this  
 4 section.”.

5 **SEC. 212. REFORM AND CONSOLIDATION OF CONSERVA-**  
 6 **TION PROGRAMS.**

7       (a) IN GENERAL.—The Secretary of Agriculture shall  
 8 develop a plan for—

9           (1) consolidating conservation programs admin-  
 10 istered by the Secretary that are targeted at agricul-  
 11 tural land; and

12           (2) to the maximum extent practicable—

13               (A) designing forms that are applicable to  
 14 all such conservation programs;

15               (B) reducing and consolidating paperwork  
 16 requirements for such programs;

17               (C) developing universal classification sys-  
 18 tems for all information obtained on the forms  
 19 that can be used by other agencies of the De-  
 20 partment of Agriculture;

21               (D) ensuring that the information and  
 22 classification systems developed under this  
 23 paragraph can be shared with other agencies of  
 24 the Department through computer technologies  
 25 used by agencies; and

1                   (E) developing 1 format for a conservation  
2                   plan that can be applied to all conservation pro-  
3                   grams targeted at agricultural land.

4           (b) REPORT.—Not later than 180 days after the date  
5 of enactment of this Act, the Secretary shall submit to  
6 the Committee on Agriculture of the House of Representa-  
7 tives and the Committee on Agriculture, Nutrition, and  
8 Forestry of the Senate a report that describes the plan  
9 developed under subsection (a), including any rec-  
10 ommendations for implementation of the plan.

11          (c) NATIONAL CONSERVATION PLAN.—Not later  
12 than 180 days after the date of enactment of this Act,  
13 the Secretary shall submit to the Committee on Agri-  
14 culture of the House of Representatives and the Com-  
15 mittee on Agriculture, Nutrition, and Forestry of the Sen-  
16 ate a plan and estimated budget for implementing the ap-  
17 praisal of the soil, water, and related resources of the Na-  
18 tion contained in the National Conservation Program  
19 under section 5 of the Soil and Water Resources Conserva-  
20 tion Act of 1977 (16 U.S.C. 2004) as the primary vehicle  
21 for managing conservation on agricultural land in the  
22 United States.

1 **SEC. 213. CERTIFICATION OF PRIVATE PROVIDERS OF**  
2 **TECHNICAL ASSISTANCE.**

3 The Soil Conservation and Domestic Allotment Act  
4 is amended by inserting after section 15 (16 U.S.C. 590o)  
5 the following:

6 **“SEC. 16. CERTIFICATION OF PRIVATE PROVIDERS OF**  
7 **TECHNICAL ASSISTANCE.**

8 “(a) ESTABLISHMENT.—The Secretary of Agri-  
9 culture shall establish procedures for certifying private  
10 persons to provide technical assistance to agricultural pro-  
11 ducers and landowners participating in conservation pro-  
12 grams administered by the Secretary.

13 “(b) STANDARDS.—The Secretary shall establish  
14 standards for the conduct of—

15 “(1) the certification process conducted by the  
16 Secretary; and

17 “(2) periodic recertification by the Secretary of  
18 private providers.

19 “(c) CERTIFICATION REQUIRED.—A private provider  
20 may not provide technical assistance under any conserva-  
21 tion program administered by the Secretary without cer-  
22 tification approved by the Secretary.

23 “(d) FEE.—In exchange for certification, a private  
24 provider shall pay a fee to the Secretary in an amount  
25 determined by the Secretary.



1       “(e) PROVIDER.—Except as provided in section  
 2 1240B(f)(6) of the Food Security Act of 1985 (7 U.S.C.  
 3 3839aa–(f)(6)), the Secretary shall determine under what  
 4 individual cases and conservation programs technical as-  
 5 sistance may be delivered by private providers or by the  
 6 Secretary.

7       “(f) OTHER REQUIREMENTS.—The Secretary may  
 8 establish other requirements as the Secretary determines  
 9 are necessary to carry out this section.”.

10 **SEC. 214. NATIONAL ENVIRONMENTAL BENEFITS INDEX.**

11       (a) STUDY.—Not later than January 1, 2003, the  
 12 Secretary of Agriculture shall request the National Acad-  
 13 emy of Sciences to conduct a study—

14               (1) to identify the natural resources targeted in  
 15 conservation programs administered by the Sec-  
 16 retary;

17               (2) to identify the environmental goals of the  
 18 conservation programs; and

19               (3) to develop a single environmental benefits  
 20 index that may be applied to all conservation pro-  
 21 grams that would allow—

22                       (A) personnel and funding of the Depart-  
 23 ment of Agriculture to be better targeted at  
 24 conservation priorities;

1 (B) to facilitate the more effective partici-  
 2 pation of owners and producers in the conserva-  
 3 tion programs; and

4 (C) to maximize environmental benefits per  
 5 dollar expended.

6 (b) REPORTS.—Not later than 18 months after the  
 7 date on which the study under subsection (a) is com-  
 8 menced, the Secretary shall submit to the Committee on  
 9 Agriculture of the House of Representatives and the Com-  
 10 mittee on Agriculture, Nutrition, and Forestry of the Sen-  
 11 ate a report that—

12 (1) describes the results of the study conducted  
 13 under subsection (a); and

14 (2) includes any appropriate recommendations  
 15 and a model environmental benefits index described  
 16 in subsection (a)(3).

17 (c) FUNDING.—Of the funds of the Commodity Cred-  
 18 it Corporation, the Secretary shall make available to carry  
 19 out this section \$2,000,000 for fiscal year 2003.

20 **SEC. 215. EXTENSION OF CONSERVATION AUTHORITIES.**

21 (a) ECARP AUTHORITY.—Section 1230(a)(1) of the  
 22 Food Security Act of 1985 (16 U.S.C. 3830(a)(1)) is  
 23 amended by striking “2002” and inserting “2006”.

24 (b) FLOOD RISK REDUCTION.—Section 385(a) of the  
 25 Federal Agriculture Improvement and Reform Act of 1996

1 (7 U.S.C. 7334(a)) is amended by striking “2002” and  
 2 inserting “2006”.

3 (c) RESOURCE CONSERVATION AND DEVELOPMENT  
 4 PROGRAM.—Section 1538 of the Agriculture and Food  
 5 Act of 1981 (16 U.S.C. 3461) is amended in the first sen-  
 6 tence by striking “2002” and inserting “2006”.

7 **SEC. 216. TECHNICAL AMENDMENTS.**

8 (a) DELINEATION OF WETLANDS; EXEMPTIONS TO  
 9 PROGRAM INELIGIBILITY.—

10 (1) REFERENCES TO PRODUCER.—Section  
 11 322(e) of the Federal Agriculture Improvement and  
 12 Reform Act of 1996 (Public Law 104–127; 110  
 13 Stat. 991) is amended by inserting “each place it  
 14 appears” before “and inserting”.

15 (2) GOOD FAITH EXEMPTION.—Section  
 16 1222(h)(2) of the Food Security Act of 1985 (16  
 17 U.S.C. 3822(h)(2)) is amended by striking “to ac-  
 18 tively” and inserting “to be actively”.

19 (3) DETERMINATIONS.—Section 1222(j) of the  
 20 Food Security Act of 1985 (16 U.S.C. 3822(j)) is  
 21 amended by striking “National” and inserting “Nat-  
 22 ural”.

23 (b) WILDLIFE HABITAT INCENTIVE PROGRAM.—Sec-  
 24 tion 387 of the Federal Agriculture Improvement and Re-  
 25 form Act of 1996 (16 U.S.C. 3836a) is amended in the

1 section heading by striking “**INCENTIVES**” and inserting  
 2 “**INCENTIVE**”.

3 **SEC. 217. EFFECT OF AMENDMENTS.**

4 (a) **IN GENERAL.**—Except as otherwise specifically  
 5 provided in this title and notwithstanding any other provi-  
 6 sion of law, this title and the amendments made by this  
 7 title shall not affect the authority of the Secretary of Agri-  
 8 culture to carry out a conservation program for any of  
 9 the 1996 through 2002 fiscal or calendar years under a  
 10 provision of law in effect immediately before the date of  
 11 enactment of this Act.

12 (b) **LIABILITY.**—A provision of this title or an  
 13 amendment made by this title shall not affect the liability  
 14 of any person under any provision of law as in effect im-  
 15 mediately before the date of enactment of this Act.

16 **TITLE III—TRADE**

17 **Subtitle A—Agricultural Trade De-**  
 18 **velopment and Assistance Act of**  
 19 **1954 and Related Statutes**

20 **SEC. 301. LEVELS OF ASSISTANCE.**

21 Section 204(a) of the Agricultural Trade Develop-  
 22 ment and Assistance Act of 1954 (7 U.S.C. 1724(a)) is  
 23 amended by striking “2002” each place it appears and  
 24 inserting “2006”.

1 **SEC. 302. FOOD AID CONSULTATIVE GROUP.**

2 Section 205(f) of the Agricultural Trade Develop-  
3 ment and Assistance Act of 1954 (7 U.S.C. 1725(f)) is  
4 amended by striking “2002” and inserting “2006”.

5 **SEC. 303. ASSISTANCE FOR STOCKPILING AND RAPID**  
6 **TRANSPORTATION, DELIVERY, AND DIS-**  
7 **TRIBUTION OF SHELF-STABLE PRE-**  
8 **PACKAGED FOODS.**

9 Section 208(f) of the Agricultural Trade Develop-  
10 ment and Assistance Act of 1954 (7 U.S.C. 1726b(f)) is  
11 amended by striking “and 2002” and inserting “through  
12 2006”.

13 **SEC. 304. PREPOSITIONING.**

14 Section 407(c)(4) of the Agricultural Trade Develop-  
15 ment and Assistance Act of 1954 (7 U.S.C. 1736a(c)(4))  
16 is amended by striking “and 2002” and inserting  
17 “through 2006”.

18 **SEC. 305. EXPIRATION DATE.**

19 Section 408 of the Agricultural Trade Development  
20 and Assistance Act of 1954 (7 U.S.C. 1736b) is amended  
21 by striking “2002” and inserting “2006”.

22 **SEC. 306. MICRONUTRIENT FORTIFICATION PILOT PRO-**  
23 **GRAM.**

24 Section 415 of the Agricultural Trade Development  
25 and Assistance Act of 1954 (7 U.S.C. 1736g–2) is amend-  
26 ed by striking subsection (d).

1 **SEC. 307. FARMER-TO-FARMER PROGRAM.**

2 Section 501(c) of the Agricultural Trade Develop-  
3 ment and Assistance Act of 1954 (7 U.S.C. 1737(c)) is  
4 amended—

5 (1) by striking “2002” and inserting “2006”;

6 and

7 (2) by striking “0.4” and inserting “0.5”.

8 **SEC. 308. BILL EMERSON HUMANITARIAN TRUST.**

9 Section 302 of the Bill Emerson Humanitarian Trust  
10 Act (7 U.S.C. 1736f–1) is amended in subsection  
11 (b)(2)(B)(i) and paragraphs (1) and (2) of subsection (h)  
12 by striking “2002” each place it appears and inserting  
13 “2006”.

14 **Subtitle B—Agricultural Trade Act**  
15 **of 1978**

16 **SEC. 321. EXPORT CREDIT GUARANTEE PROGRAM.**

17 (a) REAUTHORIZATION.—Section 211(b)(1) of the  
18 Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is  
19 amended by striking “2002” and inserting “2006”.

20 (b) PROCESSED AND HIGH-VALUE PRODUCTS.—Sec-  
21 tion 202(k)(1) of the Agricultural Trade Act of 1978 (7  
22 U.S.C. 5622(k)(1)) is amended by striking “, 2001, and  
23 2002” and inserting “through 2006”.

24 (c) COMMERCIAL SALES TO CHINA.—The Secretary  
25 of Agriculture shall evaluate the eligibility of the People’s  
26 Republic of China for financing under the export credit

1 guarantee program in light of the country risk profile and  
2 bank credit ceiling analyses for that country, which, as  
3 of the date of enactment of this Act, may preclude financ-  
4 ing under the program.

5 **SEC. 322. MARKET ACCESS PROGRAM.**

6 (a) FUNDING.—Section 211(c)(1) of the Agricultural  
7 Trade Act of 1978 (7 U.S.C. 5641(c)(1)) is amended by  
8 striking “not less than \$200,000,000” and all that follows  
9 through “1996 through 2002” and inserting  
10 “\$110,000,000 for fiscal year 2003, \$110,000,000 for fis-  
11 cal year 2004, and \$130,000,000 for each of fiscal years  
12 2005 and 2006”.

13 (b) UNITED STATES QUALITY EXPORT INITIA-  
14 TIVE.—

15 (1) FINDINGS.—Congress finds that—

16 (A) the market access program and foreign  
17 market development program target generic and  
18 value-added products, with little emphasis on  
19 the high quality of a United States product;  
20 and

21 (B) new promotional tools are needed to  
22 enable United States products to compete in  
23 higher margin, international markets on the  
24 basis of quality.

1           (2) AMENDMENT.—Section 203 of the Agricul-  
 2           tural Trade Act of 1978 (7 U.S.C. 5623) is amend-  
 3           ed by adding at the end the following:

4           “(h) UNITED STATES QUALITY EXPORT INITIA-  
 5           TIVE.—

6           “(1) IN GENERAL.—Using the authorities under  
 7           this section, the Secretary shall develop a competi-  
 8           tion in which, using practical and objective criteria,  
 9           several products are selected to carry the ‘U.S.  
 10          Quality’ seal.

11          “(2) PROMOTIONAL ACTIVITIES.—Products se-  
 12          lected under paragraph (1) shall be promoted using  
 13          the ‘U.S. Quality’ seal at trade fairs in key markets  
 14          through electronic and print media.”.

15   **SEC. 323. EXPORT ENHANCEMENT PROGRAM.**

16          Section 301(e)(1)(G) of the Agricultural Trade Act  
 17          of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by striking  
 18          “fiscal year 2002” and inserting “each of fiscal years  
 19          2002 through 2006”.

20   **SEC. 324. FOREIGN MARKET DEVELOPMENT COOPERATOR**  
 21                 **PROGRAM.**

22          The Agricultural Trade Act of 1978 is amended by  
 23          striking section 703 (7 U.S.C. 5723) and inserting the fol-  
 24          lowing:



1 **“SEC. 703. FUNDING.**

2 “(a) COMMODITY CREDIT CORPORATION.—The Sec-  
3 retary shall use the funds, facilities, and authorities of the  
4 Commodity Credit Corporation to carry out this title.

5 “(b) FUNDING.—

6 “(1) COMMODITY CREDIT CORPORATION.—Of  
7 the funds of the Commodity Credit Corporation, the  
8 Secretary shall make available to carry out this  
9 title—

10 “(A) \$31,500,000 for fiscal year 2003;

11 “(B) \$36,000,000 for fiscal year 2004;

12 “(C) \$37,500,000 for fiscal year 2005; and

13 “(D) \$43,250,000 for fiscal year 2006.

14 “(2) NEW ENTRANTS AND MARKETS.—

15 “(A) GOALS.—The Secretary shall  
16 encourage—

17 “(i) the participation of additional eli-  
18 gible trade organizations; and

19 “(ii) the development of new markets  
20 for United States agricultural commodities  
21 in foreign countries.

22 “(B) TARGETED FUNDING.—Of funds  
23 made available under paragraph (1), the Sec-  
24 retary shall use to accomplish the goals under  
25 subparagraph (A)—

26 “(i) \$2,000,000 for fiscal year 2003;

1 “(ii) \$4,250,000 for fiscal year 2004;

2 “(iii) \$5,000,000 for fiscal year 2005;

3 and

4 “(iv) \$7,875,000 for fiscal year 2006.

5 “(3) USE OF UNOBLIGATED FUNDS.—For each  
6 fiscal year, funds described in paragraph (2)(B) that  
7 are not obligated by July 1 of the fiscal year may  
8 be used for any purpose authorized under this  
9 title.”.

10 **SEC. 325. FOOD FOR PROGRESS.**

11 (a) IN GENERAL.—The Agricultural Trade Act of  
12 1978 (7 U.S.C. 5601 et seq.) is amended by adding at  
13 the end the following:

14 **“TITLE VIII—FOOD FOR**  
15 **PROGRESS**

16 **“SEC. 801. DEFINITIONS.**

17 “In this title:

18 “(1) COOPERATIVE.—The term ‘cooperative’  
19 means a private sector organization the members of  
20 which—

21 “(A) own and control the organization;

22 “(B) share in the profits of the organiza-  
23 tion; and

1           “(C) are provided services (such as busi-  
 2           ness services and outreach in cooperative devel-  
 3           opment) by the organization.

4           “(2) CORPORATION.—The term ‘Corporation’  
 5           means the Commodity Credit Corporation.

6           “(3) DEVELOPING COUNTRY.—The term ‘devel-  
 7           oping country’ means a foreign country that has—

8                 “(A) a shortage of foreign exchange earn-  
 9                 ings; and

10                “(B) difficulty meeting all of the food  
 11                needs of the country through commercial chan-  
 12                nels.

13           “(4) ELIGIBLE COMMODITY.—The term ‘eligible  
 14           commodity’ means an agricultural commodity ac-  
 15           quired by the Secretary or the Corporation for dis-  
 16           position in a program authorized under this title  
 17           through—

18                “(A) commercial purchases; or

19                “(B) inventories of the Corporation.

20           “(5) ELIGIBLE ORGANIZATION.—The term ‘eli-  
 21           gible organization’ means a private voluntary organi-  
 22           zation, cooperative, or intergovernmental organiza-  
 23           tion, as determined by the Secretary.

1 “(6) EMERGING AGRICULTURAL COUNTRY.—

2 The term ‘emerging agricultural country’ means a  
3 foreign country that—

4 “(A) is an emerging democracy; and

5 “(B) has made a commitment to introduce  
6 or expand free enterprise elements in the agri-  
7 cultural economy of the country.

8 “(7) FOOD SECURITY.—The term ‘food secu-  
9 rity’ means access by all people at all times to suffi-  
10 cient food and nutrition for a healthy and productive  
11 life.

12 “(8) INTERGOVERNMENTAL ORGANIZATION.—

13 “(A) IN GENERAL.—The term ‘intergov-  
14 ernmental organization’ means an organization  
15 that operates on a local level to solve develop-  
16 ment problems in a foreign country in which  
17 the organization is located.

18 “(B) EXCLUSION.—The term ‘intergovern-  
19 mental organization’ does not include an orga-  
20 nization that is primarily an agency or instru-  
21 mentality of the government of a foreign coun-  
22 try.

23 “(9) PRIVATE VOLUNTARY ORGANIZATION.—

1           “(A) IN GENERAL.—The term ‘private vol-  
 2           untary organization’ means a nonprofit, inter-  
 3           governmental organization that—

4                   “(i) receives—

5                           “(I) funds from private sources;  
 6                           and

7                           “(II) voluntary contributions of  
 8                           money, staff time, or in-kind support  
 9                           from the public; and

10                   “(ii) is engaged in or is planning to  
 11                   engage in nonreligious voluntary, chari-  
 12                   table, or development assistance activities.

13           “(B) IN UNITED STATES.—The term ‘pri-  
 14           vate voluntary organization’, when used with re-  
 15           spect to an organization in the United States,  
 16           means an organization described in section  
 17           501(c)(3) of the Internal Revenue Code of 1986  
 18           that is exempt from taxation under section  
 19           501(a) of the Code.

20           “(10) PRODUCED IN THE UNITED STATES.—

21           The term ‘produced in the United States’, used with  
 22           respect to a product of an agricultural commodity,  
 23           excludes a product of an agricultural commodity  
 24           that contains 1 or more ingredients that are not pro-  
 25           duced in the United States if those ingredients are

1 commercially available in the United States at fair  
2 and reasonable prices.

3 “(11) PROGRAM.—The term ‘program’ means a  
4 food or nutrition assistance or development initiative  
5 proposed by an eligible organization and approved by  
6 the Secretary under this title.

7 “(12) RECIPIENT COUNTRY.—The term ‘recipi-  
8 ent country’ means a developing country covered by  
9 a program.

10 **“SEC. 802. FOOD FOR PROGRESS PROGRAM.**

11 “(a) IN GENERAL.—To provide agricultural commod-  
12 ities to support the introduction or expansion of free trade  
13 enterprises in national economies, and to provide food or  
14 nutrition assistance, the Secretary shall establish the Food  
15 for Progress Program under which the Secretary may  
16 enter into agreements (including multiyear agreements)  
17 with—

18 “(1) the governments of emerging democracies;

19 “(2) private voluntary organizations;

20 “(3) nonprofit agricultural organizations and  
21 cooperatives;

22 “(4) intergovernmental organizations; and

23 “(5) other private entities.

24 “(b) CONSIDERATIONS.—In determining whether to  
25 enter into an agreement to establish a program under sub-

1 section (a), the Secretary shall take into consideration  
 2 whether a potential recipient country is committed to car-  
 3 rying out, or is carrying out, policies that promote—

4 “(1) economic freedom;

5 “(2) private production of food commodities for  
 6 domestic consumption; and

7 “(3) the creation and expansion of efficient do-  
 8 mestic markets for the purchase and sale of those  
 9 commodities.

10 “(c) TERMS.—

11 “(1) IN GENERAL.—The Secretary may provide  
 12 agricultural commodities under this title on—

13 “(A) a grant basis; or

14 “(B) subject to paragraph (2), credit  
 15 terms.

16 “(2) CREDIT TERMS.—Payment for agricultural  
 17 commodities made available under this title that are  
 18 purchased on credit terms shall be made on the  
 19 same basis as payments made under section 103 of  
 20 the Agricultural Trade Development and Assistance  
 21 Act of 1954 (7 U.S.C. 1703).

22 “(3) NO EFFECT ON DOMESTIC PROGRAMS.—  
 23 The Secretary shall not make an agricultural com-  
 24 modity available for disposition under this section in  
 25 any amount that will reduce the amount of the com-

1       modity that is traditionally made available through  
2       donations to domestic feeding programs or agencies,  
3       as determined by the Secretary.

4       “(d) REPORTS.—Each eligible organization that en-  
5       ters into an agreement under this title shall submit to the  
6       Secretary, at such time as the Secretary may request, a  
7       report containing such information as the Secretary may  
8       request relating to the use of commodities and funds pro-  
9       vided to the eligible organization under this title.

10       “(e) COORDINATION.—To ensure that the provision  
11       of commodities under this section is coordinated with and  
12       complements other foreign assistance provided by the  
13       United States, assistance under this section shall be co-  
14       ordinated through the mechanism designated by the Presi-  
15       dent to coordinate assistance under the Agricultural Trade  
16       Development and Assistance Act of 1954 (7 U.S.C. 1691  
17       et seq.).

18       “(f) QUALITY ASSURANCE.—The Secretary shall en-  
19       sure, to the maximum extent practicable, that each eligible  
20       organization participating in 1 or more programs under  
21       this section—

22               “(1) uses eligible commodities made available  
23       under this title—

24                       “(A) in an effective manner;

25                       “(B) in the areas of greatest need; and



1                   “(C) in a manner that promotes the pur-  
2                   poses of this title;

3                   “(2) in using eligible commodities, assesses and  
4                   takes into account the needs of recipient countries  
5                   and the target populations of those countries;

6                   “(3) to the maximum extent practicable con-  
7                   sistent with the purposes of this title, uses the low-  
8                   est cost means of delivering eligible commodities and  
9                   providing other assistance authorized under this  
10                  title;

11                  “(4) works with recipient countries and indige-  
12                  nous institutions or groups in recipient countries to  
13                  design and carry out mutually acceptable programs  
14                  authorized in subsection (g)(2)(C)(i);

15                  “(5) monitors and reports on the distribution or  
16                  sale of eligible commodities provided under this title  
17                  using methods that, as determined by the Secretary,  
18                  facilitate accurate and timely reporting;

19                  “(6) periodically evaluates the effectiveness of  
20                  the program of the eligible organization, including,  
21                  as applicable, an evaluation of whether the develop-  
22                  ment or food and nutrition purposes of the program  
23                  can be sustained in a recipient country if the assist-  
24                  ance provided to the recipient country is reduced  
25                  and eventually terminated; and

1           “(7) considers means of improving the oper-  
2           ation of the program of the eligible organization.

3           “(g) TRANSSHIPMENT AND RESALE.—

4           “(1) IN GENERAL.—The transshipment or re-  
5           sale of an eligible commodity to a country other than  
6           a recipient country shall be prohibited unless the  
7           transshipment or resale is approved by the Sec-  
8           retary.

9           “(2) MONETIZATION.—

10           “(A) IN GENERAL.—Subject to subpara-  
11           graphs (B) through (D), an eligible commodity  
12           provided under this section may be sold for for-  
13           eign currency or United States dollars or  
14           bartered only with the approval of the Sec-  
15           retary.

16           “(B) SALE OR BARTER OF FOOD ASSIST-  
17           ANCE.—The sale or barter of eligible commod-  
18           ities under this title may be conducted only  
19           within a recipient country or countries adjacent  
20           to the recipient country, unless, as determined  
21           by the Secretary—

22           “(i) the sale or barter within the re-  
23           cipient country or adjacent countries is not  
24           practicable; and

1                   “(ii) the sale or barter within coun-  
 2                   tries other than the recipient country or  
 3                   adjacent countries will not disrupt com-  
 4                   mercial markets for the agricultural com-  
 5                   modity involved.

6                   “(C) HUMANITARIAN OR DEVELOPMENT  
 7                   PURPOSES.—The Secretary may authorize the  
 8                   use of proceeds or exchanges to reimburse,  
 9                   within a recipient country or other country in  
 10                  the same region, the costs incurred by an eligi-  
 11                  ble organization for—

12                   “(i)(I) programs targeted at hunger  
 13                   and malnutrition; or

14                   “(II) development programs involving  
 15                   food security or education;

16                   “(ii) transportation, storage, and dis-  
 17                   tribution of eligible commodities provided  
 18                   under this title; and

19                   “(iii) administration, sales, moni-  
 20                   toring, and technical assistance.

21                   “(D) EXCEPTION.—The Secretary shall  
 22                   not approve the use of proceeds described in  
 23                   subparagraph (C) to fund any administrative  
 24                   expenses of a foreign government.

1       “(h) DISPLACEMENT OF COMMERCIAL SALES.—In  
 2 carrying out this title, the Secretary shall, to the max-  
 3 imum extent practicable consistent with the purposes of  
 4 this title, avoid—

5           “(1) displacing any commercial export sale of  
 6 United States commodities that would otherwise be  
 7 made;

8           “(2) disrupting world prices of agricultural  
 9 commodities; or

10          “(3) disrupting normal patterns of commercial  
 11 trade with foreign countries.

12       “(i) DEADLINE FOR PROGRAM ANNOUNCEMENTS.—

13           “(1) IN GENERAL.—Before the beginning of the  
 14 applicable fiscal year, the Secretary shall, to the  
 15 maximum extent practicable—

16           “(A) make all determinations concerning  
 17 program agreements and resource requests for  
 18 programs under this title; and

19           “(B) announce those determinations.

20          “(2) REPORT.—Not later than November 1 of  
 21 the applicable fiscal year, the Secretary shall submit  
 22 to the Committee on Agriculture of the House of  
 23 Representatives and the Committee on Agriculture,  
 24 Nutrition, and Forestry of the Senate a list of pro-  
 25 grams, countries, and commodities, and the total

1 amount of funds for transportation and administra-  
 2 tive costs, approved under this title.

3 “(j) MILITARY DISTRIBUTION OF ASSISTANCE.—

4 “(1) IN GENERAL.—The Secretary shall ensure,  
 5 to the maximum extent practicable, that agricultural  
 6 commodities made available under this section are  
 7 provided without regard to—

8 “(A) the political affiliation, geographic lo-  
 9 cation, ethnic, tribal, or religious identity of the  
 10 recipient; or

11 “(B) any extraneous factors.

12 “(2) PROHIBITION ON HANDLING OF COMMOD-  
 13 ITIES BY THE MILITARY.—

14 “(A) IN GENERAL.—Except as provided in  
 15 subparagraph (B), the Secretary shall not enter  
 16 into an agreement under this title to provide  
 17 agricultural commodities if the agreement re-  
 18 quires or permits the distribution, handling, or  
 19 allocation of agricultural commodities by the  
 20 military forces of any foreign government or in-  
 21 surgent group.

22 “(B) EXCEPTION.—The Secretary may au-  
 23 thorize the distribution, handling, or allocation  
 24 of commodities by the military forces of a coun-  
 25 try in exceptional circumstances in which—

1 “(i) nonmilitary channels are not  
 2 available for distribution, handling, or allo-  
 3 cation;

4 “(ii) the distribution, handling, or al-  
 5 location is consistent with paragraph (1);  
 6 and

7 “(iii) the Secretary determines that  
 8 the distribution, handling, or allocation is  
 9 necessary to meet the emergency health,  
 10 safety, or nutritional requirements of the  
 11 population of a recipient country.

12 “(3) ENCOURAGEMENT OF SAFE PASSAGE.—In  
 13 entering into an agreement under this title that in-  
 14 volves 1 or more areas within a recipient country  
 15 that is experiencing protracted warfare or civil un-  
 16 rest, the Secretary shall, to the maximum extent  
 17 practicable, encourage all parties to the conflict to—

18 “(A) permit safe passage of the commod-  
 19 ities and other relief supplies; and

20 “(B) establish safe zones for—

21 “(i) medical and humanitarian treat-  
 22 ment; and

23 “(ii) evacuation of injured persons.

1       “(k) BUDGET.—The cost of commodities made avail-  
 2     able under this section, and the expenses incurred in con-  
 3     nection with the provision of those commodities—

4               “(1) shall be in addition to the level of assist-  
 5     ance provided under the Agricultural Trade Develop-  
 6     ment and Assistance Act of 1954 (7 U.S.C. 1691 et  
 7     seq.); and

8               “(2) may not be considered expenditures for  
 9     international affairs and finance.

10       “(l) INTERNATIONAL EDUCATION AND NUTRITION  
 11     PROGRAM.—

12               “(1) IN GENERAL.—In cooperation with other  
 13     countries, the Secretary shall establish an initiative  
 14     within the Food for Progress Program under this  
 15     title to be known as the ‘International Education  
 16     and Nutrition Program’, through which the Sec-  
 17     retary may provide to eligible organizations agricul-  
 18     tural commodities and technical and nutritional as-  
 19     sistance in connection with education programs to  
 20     improve food security and enhance educational op-  
 21     portunities for preschool age and primary school age  
 22     children in recipient countries.

23               “(2) AGREEMENTS.—In carrying out this sub-  
 24     section, the Secretary may enter into agreements  
 25     with eligible organizations—

1           “(A) to purchase, acquire, and donate eli-  
2           gible commodities to eligible organizations; and

3           “(B) to provide technical and nutritional  
4           assistance.

5           “(3) OTHER DONOR COUNTRIES.—The Sec-  
6           retary shall encourage other donor countries, directly  
7           or through eligible organizations—

8           “(A) to donate goods and funds to recipi-  
9           ent countries; and

10          “(B) to provide technical and nutritional  
11          assistance to recipient countries.

12          “(4) PRIVATE SECTOR.—The President and the  
13          Secretary are urged to encourage the support and  
14          active involvement of the private sector, foundations,  
15          and other individuals and organizations in programs  
16          and activities assisted under this subsection.

17          “(5) GRADUATION.—An agreement with an eli-  
18          gible organization under this subsection shall include  
19          provisions—

20          “(A) to estimate the period of time re-  
21          quired until the recipient country or eligible or-  
22          ganization is able to provide sufficient assist-  
23          ance without additional assistance under this  
24          subsection; or



1           “(B) to provide other long-term benefits to  
2           targeted populations of the recipient country.

3           “(6) ANNUAL REPORT.—The Secretary shall  
4           submit to the Committee on Agriculture of the  
5           House of Representatives and the Committee on Ag-  
6           riculture, Nutrition, and Forestry of the Senate an  
7           annual report that describes—

8           “(A) the results of the implementation of  
9           this subsection during the year covered by the  
10          report, including the impact on the enrollment,  
11          attendance, and performance of children in  
12          preschools and primary schools targeted under  
13          the initiative established under this subsection;  
14          and

15          “(B) the level of commitments by, and the  
16          potential for obtaining additional goods and as-  
17          sistance from, other countries for subsequent  
18          years.

19          “(m) COMMODITY CREDIT CORPORATION.—

20          “(1) IN GENERAL.—Subject to paragraphs (4)  
21          through (6), the Secretary may use the funds, facili-  
22          ties, and authorities of the Corporation to carry out  
23          this title.

24          “(2) FUNDING.—

1           “(A) IN GENERAL.—Subject to paragraph  
2           (3), from the funds of the Corporation, the Sec-  
3           retary shall make available to carry out this  
4           title \$490,000,000 for each of fiscal years 2003  
5           through 2006.

6           “(B) AUTHORIZATION OF APPROPRIA-  
7           TIONS.—In addition to funds made available  
8           under subparagraph (A), there are authorized  
9           to be appropriated such sums as are necessary  
10          to carry out this title.

11          “(3) INTERNATIONAL EDUCATION AND NUTRI-  
12          TION PROGRAM.—Of the funds made available under  
13          paragraph (2), the Secretary may use not more than  
14          \$300,000,000 for each fiscal year to carry out the  
15          initiative established under subsection (1).

16          “(4) LIMITATION ON PURCHASES OF COMMOD-  
17          ITIES.—The Corporation may purchase agricultural  
18          commodities for disposition under this title only if  
19          Corporation inventories are insufficient to satisfy  
20          commitments made in agreements entered into  
21          under this title.

22          “(5) ELIGIBLE COSTS AND EXPENSES.—

23                 “(A) IN GENERAL.—Subject to subpara-  
24                 graph (B), with respect to an eligible com-

1           commodity made available under this title, the Cor-  
2           poration may pay—

3                   “(i) the costs of acquiring the eligible  
4           commodity;

5                   “(ii) the costs associated with pack-  
6           aging, enriching, preserving, and fortifying  
7           of the eligible commodity;

8                   “(iii) the processing, transportation,  
9           handling, and other incidental costs in-  
10          curred before the date on which the com-  
11          modity is delivered free on board vessels in  
12          United States ports;

13                   “(iv) the vessel freight charges from  
14          United States ports or designated Cana-  
15          dian transshipment ports, as determined  
16          by the Secretary, to designated ports of  
17          entry abroad;

18                   “(v) the costs associated with trans-  
19          porting the eligible commodity from United  
20          States ports to designated points of entry  
21          abroad in a case in which—

22                           “(I) a recipient country is land-  
23                           locked;

1 “(II) ports of a recipient country  
 2 cannot be used effectively because of  
 3 natural or other disturbances;

4 “(III) carriers to a specific coun-  
 5 try are unavailable; or

6 “(IV) substantial savings in costs  
 7 or time may be gained by the use of  
 8 points of entry other than ports;

9 “(vi) the transportation and associ-  
 10 ated distribution costs incurred in moving  
 11 the commodity (including repositioned  
 12 commodities) from designated points of  
 13 entry or ports of entry abroad to storage  
 14 and distribution sites;

15 “(vii) the charges for general average  
 16 contributions arising out of the ocean  
 17 transport of commodities transferred; and

18 “(viii) the costs, in addition to costs  
 19 authorized by clauses (i) through (vii), of  
 20 providing—

21 “(I) assistance in the administra-  
 22 tion, sale, and monitoring of food as-  
 23 sistance activities under this title; and

24 “(II) technical assistance for  
 25 monetization programs.

1           “(B) FUNDING.—Except for costs de-  
 2           scribed in subparagraph (A)(i), not more than  
 3           \$40,000,000 of funds made available under  
 4           paragraph (2) may be used to cover costs under  
 5           this paragraph unless authorized in advance in  
 6           an appropriation Act.

7           “(6) PAYMENT OF ADMINISTRATIVE COSTS.—  
 8           An eligible organization that receives payment for  
 9           administrative costs through monetization of the eli-  
 10          gible commodity under subsection (g)(2) shall not be  
 11          eligible to receive payment for the same administra-  
 12          tive costs through direct payments under paragraph  
 13          (5)(A)(viii)(I).”.

14          (b) CONFORMING AMENDMENT.—The Food Security  
 15          Act of 1985 is amended by striking section 1110 (7 U.S.C.  
 16          1736o).

17       **SEC. 326. EXPORTER ASSISTANCE INITIATIVE.**

18          (a) FINDINGS.—Congress find that—

19               (1) information in the possession of Federal  
 20               agencies other than the Department of Agriculture  
 21               that is necessary for the export of agricultural com-  
 22               modities and products is available only from multiple  
 23               disparate sources; and

24               (2) because exporters often need access to in-  
 25               formation quickly, exporters lack the time to search

1 multiple sources to access necessary information,  
 2 and exporters often are unaware of where the nec-  
 3 essary information can be located.

4 (b) AMENDMENT.—Title I of the Agricultural Trade  
 5 Act of 1978 (7 U.S.C. 5601 et seq.) is amended by adding  
 6 at the end the following:

7 **“SEC. 107. EXPORTER ASSISTANCE INITIATIVE.**

8 “(a) IN GENERAL.—In order to create a single source  
 9 of information for exports of agricultural products, the  
 10 Secretary shall develop a website on the Internet that col-  
 11 lates onto a single website all information from all agen-  
 12 cies of the Federal Government that is relevant to the ex-  
 13 port of agricultural products.

14 “(b) AUTHORIZATION OF APPROPRIATIONS.—There  
 15 are authorized to be appropriated to carry out subsection  
 16 (a)—

17 “(1) \$1,000,000 for each of fiscal years 2003  
 18 and 2004; and

19 “(2) \$500,000 for each of fiscal years 2005 and  
 20 2006.”.

21 **Subtitle C—Miscellaneous**  
 22 **Agricultural Trade Provisions**

23 **SEC. 331. EMERGING MARKETS.**

24 Section 1542 of the Food, Agriculture, Conservation,  
 25 and Trade Act of 1990 (7 U.S.C. 5622 note; Public Law

1 101–624) is amended in subsections (a) and (d)(1)(A)(i)  
 2 by striking “2002” each place it appears and inserting  
 3 “2006”.

4 **SEC. 332. SENSE OF THE SENATE CONCERNING UNILAT-**  
 5 **ERAL SANCTIONS.**

6 It is the sense of the Senate that—

7 (1) the current statutory prohibition on the im-  
 8 position of unilateral sanctions involving agricultural  
 9 commodities, medicine, and medical devices should  
 10 apply to all foreign countries, except when—

11 (A) the United States is at war with, or  
 12 hostilities are imminent with, a particular coun-  
 13 try;

14 (B) an agricultural commodity, medicine,  
 15 or medical device can be used for dual pur-  
 16 poses; or

17 (C) a particular country sponsors ter-  
 18 rorism;

19 (2) the International Trade Commission should  
 20 periodically review and report to the President on  
 21 each unilateral sanction in effect to determine the  
 22 cost-effectiveness of the sanction, including—

23 (A) the economic activity that is prohib-  
 24 ited, restricted, or conditioned by the unilateral  
 25 agricultural sanction; and

1 (B) the national interest that would be  
 2 jeopardized if the unilateral sanction were  
 3 ended; and

4 (3) in response to the report of the Inter-  
 5 national Trade Commission, the President should  
 6 recommend whether the unilateral sanction should  
 7 be continued, modified, or repealed.

8 **SEC. 333. BIOTECHNOLOGY AND AGRICULTURAL TRADE**  
 9 **PROGRAM.**

10 Section 1542 of the Food, Agriculture, Conservation,  
 11 and Trade Act of 1990 (7 U.S.C. 5622 note; Public Law  
 12 101–624) is amended by adding at the end the following:

13 “(g) BIOTECHNOLOGY AND AGRICULTURAL TRADE  
 14 PROGRAM.—

15 “(1) IN GENERAL.—The Secretary of Agri-  
 16 culture shall establish a program to enhance foreign  
 17 acceptance of agricultural biotechnology and United  
 18 States agricultural products developed through bio-  
 19 technology.

20 “(2) FOCUS.—The program shall address the  
 21 continuing and increasing market access, regulatory,  
 22 and marketing issues relating to export commerce of  
 23 United States agricultural biotechnology products.

24 “(3) EDUCATION AND OUTREACH.—



“(A) FOREIGN MARKETS.—Support for United States agricultural market development organizations to carry out education and other outreach efforts concerning biotechnology shall target such educational initiatives as—

“(i) producers, buyers, consumers, and media in foreign markets through initiatives in foreign markets; and

“(ii) government officials, scientists, and trade officials from foreign countries through exchange programs.

“(B) FUNDING FOR EDUCATION AND OUTREACH.—Funding for activities under subparagraph (A) may be—

“(i) used through—

“(I) the emerging markets program under this section;

“(II) the emerging markets program under section 1542 (7 U.S.C. 3292); or

“(III) the Cochran Fellowship Program under section 1543 (7 U.S.C. 3293); or

“(ii) applied directly to foreign market development cooperators through the for-

1           eign market development cooperator pro-  
 2           gram under section 702 of the Agricultural  
 3           Trade Act of 1978 (7 U.S.C. 5722).

4           “(4) RAPID RESPONSE.—

5           “(A) IN GENERAL.—The Secretary shall  
 6           assist agricultural exporters of the United  
 7           States in cases in which the exporters are  
 8           harmed by unwarranted and arbitrary barriers  
 9           to trade due to—

10           “(i) marketing of biotechnology prod-  
 11           ucts;

12           “(ii) food safety;

13           “(iii) disease; or

14           “(iv) other sanitary or phytosanitary  
 15           concerns.

16           “(B) AUTHORIZATION OF APPROPRIA-  
 17           TIONS.—There is authorized to be appropriated  
 18           to carry out this paragraph \$1,000,000 for each  
 19           of fiscal years 2003 through 2006.

20           “(4) FUNDING.—

21           “(A) COMMODITY CREDIT CORPORATION.—  
 22           The Secretary shall use the funds, facilities,  
 23           and authorities of the Commodity Credit Cor-  
 24           poration to carry out this subsection.

1           “(B) FUNDING AMOUNT.—Of the funds of  
 2           the Commodity Credit Corporation, the Sec-  
 3           retary shall make available to carry out this  
 4           subsection \$15,000,000 for each of fiscal years  
 5           2003 through 2006.”.

6 **SEC. 334. DAIRY EXPORT INCENTIVE PROGRAM.**

7           Section 153(a) of the Food Security Act of 1985 (15  
 8           U.S.C. 713a–14(a)) is amended by striking “2002” and  
 9           inserting “2006”.

10                   **TITLE IV—NUTRITION**  
 11                   **PROGRAMS**

12 **SEC. 401. SHORT TITLE.**

13           This title may be cited as the “Food Stamp Sim-  
 14           plification Act of 2001”.

15           **Subtitle A—Food Stamp Program**

16 **SEC. 411. CATEGORICAL ELIGIBILITY FOR RECIPIENTS OF**  
 17 **CASH ASSISTANCE.**

18           Section 5(a) of the Food Stamp Act of 1977 (7  
 19           U.S.C. 2014(a)) is amended—

20                   (1) in the second sentence, by striking “receives  
 21                   benefits” and inserting “receives cash assistance”;  
 22                   and

23                   (2) in the third sentence, by striking “receives  
 24                   benefits” and inserting “receives cash assistance”.

1 **SEC. 412. DISREGARDING OF INFREQUENT AND UNANTICI-**  
 2 **PATED INCOME.**

3 Section 5(d)(2) of the Food Stamp Act of 1977 (7  
 4 U.S.C. 2014(d)(2)) is amended by striking “\$30” and in-  
 5 serting “\$100”.

6 **SEC. 413. SIMPLIFIED TREATMENT OF INDIVIDUALS COM-**  
 7 **PLYING WITH CHILD SUPPORT ORDERS.**

8 (a) EXCLUSION.—Section 5(d)(6) of the Food Stamp  
 9 Act of 1977 (7 U.S.C. 2014(d)(6)) is amended by adding  
 10 at the end the following: “including child support pay-  
 11 ments made by a household member to or for an individual  
 12 who is not a member of the household if the household  
 13 member is legally obligated to make the payments,”.

14 (b) SIMPLIFIED PROCEDURE.—Section 5 of the Food  
 15 Stamp Act of 1977 (7 U.S.C. 2014) is amended—

16 (1) in subsection (e), by striking paragraph (4)  
 17 and inserting the following:

18 “(4) DEDUCTION FOR CHILD SUPPORT PAY-  
 19 MENTS.—

20 “(A) IN GENERAL.—In lieu of providing an  
 21 exclusion for legally obligated child support pay-  
 22 ments made by a household member under sub-  
 23 section (d)(6), a State agency may elect to pro-  
 24 vide a deduction for the amount of the pay-  
 25 ments.

1           “(B) ORDER OF DETERMINING DEDUC-  
2           TIONS.—A deduction under this paragraph shall  
3           be determined before the computation of the ex-  
4           cess shelter expense deduction under paragraph  
5           (7).”; and

6           (2) by adding at the end the following:

7           “(n) STATE OPTIONS TO SIMPLIFY DETERMINATION  
8           OF CHILD SUPPORT PAYMENTS MADE BY HOUSEHOLD  
9           MEMBERS.—

10           “(1) IN GENERAL.—Regardless of whether a  
11           State agency elects to provide a deduction under  
12           subsection (e)(4), the Secretary shall establish sim-  
13           plified procedures to allow State agencies to deter-  
14           mine the amount of the legally obligated child sup-  
15           port payments made, including procedures to allow  
16           the State agency to rely on information from the  
17           agency responsible for implementing the program  
18           under part D of title IV of the Social Security Act  
19           (42 U.S.C. 661 et seq.) concerning payments made  
20           in prior months in lieu of obtaining current informa-  
21           tion from the household.

22           “(2) DURATION OF DETERMINATION OF  
23           AMOUNT OF SUPPORT PAYMENTS.—If a State agen-  
24           cy makes a determination of the amount of support  
25           payments of a household under paragraph (1), the

1 amount of the exclusion or deduction for the house-  
2 hold shall not change until the eligibility of the  
3 household is next redetermined under section  
4 11(e)(4).”.

5 **SEC. 414. COORDINATED AND SIMPLIFIED DEFINITION OF**  
6 **INCOME.**

7 Section 5(d) of the Food Stamp Act of 1977 (7  
8 U.S.C. 2014(d)) is amended—

9 (1) by striking “and (15)” and inserting  
10 “(15)”; and

11 (2) by inserting before the period at the end the  
12 following: “, (16) at the option of the State agency,  
13 any educational loans on which payment is deferred,  
14 grants, scholarships, fellowships, veterans’ edu-  
15 cational benefits, and the like (other than loans,  
16 grants, scholarships, fellowships, veterans’ edu-  
17 cational benefits, and the like excluded under para-  
18 graph (3)), to the extent that they are required to  
19 be excluded under title XIX of the Social Security  
20 Act (42 U.S.C. 1396 et seq.), (17) at the option of  
21 the State agency, any State complementary assist-  
22 ance program payments that are excluded for the  
23 purpose of determining eligibility for medical assist-  
24 ance under section 1931 of the Social Security Act  
25 (42 U.S.C. 1396u–1), (18) at the option of the State

1        agency, any types of income that the State agency  
 2        does not consider when determining eligibility for, or  
 3        the amount of, cash assistance under a program  
 4        funded under part A of title IV of the Social Secu-  
 5        rity Act (42 U.S.C. 601 et seq.) or medical assist-  
 6        ance under section 1931 of the Social Security Act  
 7        (42 U.S.C. 1396u-1), except that this paragraph  
 8        does not authorize a State agency to exclude wages  
 9        or salaries, benefits under title I, II, IV, X, XIV, or  
 10        XVI of the Social Security Act (42 U.S.C. 1381 et  
 11        seq.), regular payments from a government source  
 12        (such as unemployment benefits and general assist-  
 13        ance), worker's compensation, or such other types of  
 14        income the consideration of which the Secretary de-  
 15        termines by regulation to be essential to equitable  
 16        determinations of eligibility and benefit levels”.

17    **SEC. 415. EXCLUSION OF INTEREST AND DIVIDEND IN-**  
 18                                    **COME.**

19        Section 5(d) of the Food Stamp Act of 1977 (7  
 20        U.S.C. 2014(d)) (as amended by section 414(2)) is  
 21        amended by inserting before the period at the end the fol-  
 22        lowing: “, and (19) any interest or dividend income re-  
 23        ceived by a member of the household”.

1 **SEC. 416. ALIGNMENT OF STANDARD DEDUCTION WITH**  
2 **POVERTY LINE.**

3 Section 5(e) of the Food Stamp Act of 1977 (7  
4 U.S.C. 2014(e)) is amended by striking paragraph (1) and  
5 inserting the following:

6 “(1) STANDARD DEDUCTION.—

7 “(A) IN GENERAL.—Subject to the other  
8 provisions of this paragraph, the Secretary shall  
9 allow a standard deduction for each household  
10 that is—

11 “(i) equal to the applicable percentage  
12 specified in subparagraph (D) of the in-  
13 come standard of eligibility established  
14 under subsection (c)(1); but

15 “(ii) not less than the minimum de-  
16 duction specified in subparagraph (E).

17 “(B) GUAM.—The Secretary shall allow a  
18 standard deduction for each household in Guam  
19 that is—

20 “(i) equal to the applicable percentage  
21 specified in subparagraph (D) of twice the  
22 income standard of eligibility established  
23 under subsection (c)(1) for the 48 contig-  
24 uous States and the District of Columbia;  
25 but



1 “(ii) not less than the minimum de-  
2 duction for Guam specified in subpara-  
3 graph (E).

4 “(C) HOUSEHOLDS OF 6 OR MORE MEM-  
5 BERS.—The income standard of eligibility es-  
6 tablished under subsection (c)(1) for a house-  
7 hold of 6 members shall be used to calculate the  
8 standard deduction for each household of 6 or  
9 more members.

10 “(D) APPLICABLE PERCENTAGE.—For the  
11 purpose of subparagraph (A), the applicable  
12 percentage shall be—

13 “(i) 8 percent for fiscal year 2002;

14 “(ii) 8.5 percent for each of fiscal  
15 years 2003 through 2005;

16 “(iii) 9 percent for each of fiscal years  
17 2006 through 2008;

18 “(iv) 9.5 percent for each of fiscal  
19 years 2009 and 2010; and

20 “(v) 10 percent for each fiscal year  
21 thereafter.

22 “(E) MINIMUM DEDUCTION.—The min-  
23 imum deduction shall be \$134, \$229, \$189,  
24 \$269, and \$118 for the 48 contiguous States  
25 and the District of Columbia, Alaska, Hawaii,

1           Guam, and the Virgin Islands of the United  
2           States, respectively.”.

3 **SEC. 417. SIMPLIFIED DEPENDENT CARE DEDUCTION.**

4           Section 5(e)(3) of the Food Stamp Act of 1977 (7  
5 U.S.C. 2014(e)(3)) is amended by adding at the end the  
6 following:

7                   “(C) STANDARD DEPENDENT CARE AL-  
8           LOWANCES.—

9                   “(i) ESTABLISHMENT OF ALLOW-  
10           ANCES.—

11                   “(I) IN GENERAL.—In deter-  
12           mining the dependent care deduction  
13           under this paragraph, in lieu of re-  
14           quiring the household to establish the  
15           actual dependent care costs of the  
16           household, a State agency may use  
17           standard dependent care allowances  
18           established under subclause (II) for  
19           each dependent for whom the house-  
20           hold incurs costs for care.

21                   “(II) AMENDMENT TO STATE  
22           PLAN.—A State agency that elects to  
23           use standard dependent care allow-  
24           ances under subclause (I) shall submit  
25           for approval by the Secretary an

1 amendment to the State plan of oper-  
2 ation under section 11(d) that—

3 “(aa) describes the allow-  
4 ances that the State agency will  
5 use; and

6 “(bb) includes supporting  
7 documentation.

8 “(ii) HOUSEHOLD ELECTION.—

9 “(I) IN GENERAL.—Except as  
10 provided in clause (iii), a household  
11 may elect to have the dependent care  
12 deduction of the household based on  
13 actual dependent care costs rather  
14 that the allowances established under  
15 clause (i).

16 “(II) FREQUENCY.—The Sec-  
17 retary may by regulation limit the fre-  
18 quency with which households may  
19 make the election described in sub-  
20 clause (I) or reverse the election.

21 “(iii) MANDATORY DEPENDENT CARE  
22 ALLOWANCES.—The State agency may  
23 make the use of standard dependent care  
24 allowances established under clause (i)

1                   mandatory for all households that incur  
2                   dependent care costs.”.

3 **SEC. 418. ALTERNATIVE PROCEDURES TO ASSIST ELDERLY**  
4 **AND DISABLED PERSONS.**

5           Section 5(e)(6) of the Food Stamp Act of 1977 (7  
6 U.S.C. 2014(e)(6)) is amended—

7                   (1) in subparagraph (A), by striking “A house-  
8           hold” and inserting “At the option of the State  
9           agency, a household”;

10                  (2) in subparagraph (B)(i), by striking “shall  
11           offer an eligible household under subparagraph (A)”  
12           and inserting “that elects to offer a deduction under  
13           subparagraph (A) shall offer an eligible household”;  
14           and

15                  (3) by adding at the end the following:

16                         “(C) ALTERNATIVE PROCEDURES TO AS-  
17                         SIST ELDERLY AND DISABLED MEMBERS WITH  
18                         MEDICAL EXPENSES.—Any State agency that  
19                         elects not to offer the deduction under this  
20                         paragraph shall establish procedures to treat an  
21                         application from an elderly or disabled member  
22                         for an allotment under this Act as an applica-  
23                         tion for coverage under section 1902(a)(10)(E)  
24                         of the Social Security Act (42 U.S.C.

1           1396a(a)(10)(E)) unless the member declines  
2           the coverage.”.

3 **SEC. 419. SIMPLIFIED DETERMINATION OF HOUSING**  
4 **COSTS.**

5           (a) IN GENERAL.—Section 5(e)(7) of the Food  
6 Stamp Act of 1977 (7 U.S.C. 2014(e)(7)) is amended—

7           (1) in subparagraph (A)—

8                   (A) by striking “A household” and insert-  
9           ing the following:

10                           “(i) IN GENERAL.—A household”; and

11                           (B) by adding at the end the following:

12                                   “(ii) INCLUSION OF CERTAIN PAY-  
13                           MENTS.—In determining the shelter ex-  
14                           penses of a household under this para-  
15                           graph, the State agency shall include any  
16                           required payment to the landlord of the  
17                           household without regard to whether the  
18                           required payment is designated to pay spe-  
19                           cific charges.”; and

20           (2) by adding at the end the following:

21                           “(D) HOMELESS HOUSEHOLDS.—

22                                   “(i) ALTERNATIVE DEDUCTION.—In  
23                           lieu of the deduction provided under sub-  
24                           paragraph (A), a State agency may elect to  
25                           allow a household in which all members are

homeless individuals, but that is not receiving free shelter throughout the month, to receive a deduction of \$143 per month.

“(ii) INELIGIBILITY.—The State agency may make a household with extremely low shelter costs ineligible for the alternative deduction under clause (i).”.

(b) CONFORMING AMENDMENTS.—Section 5 of the

Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e)—

(A) by striking paragraph (5); and

(B) by redesignating paragraphs (6) and

(7) as paragraphs (5) and (6), respectively; and

(2) in subsection (k)(4)(B), by striking “sub-

section (e)(7)” and inserting “subsection (e)(6)”.

**SEC. 420. SIMPLIFIED DETERMINATION OF UTILITY COSTS.**

Section 5(e)(6)(C)(iii) of the Food Stamp Act of 1977 (as amended by section 419(b)(1)(B)) is amended—

(1) in subclause (I)(bb), by inserting “(without regard to subclause (III))” after “Secretary finds”;

and

(2) by adding at the end the following:

“(III) INAPPLICABILITY OF CER-

TAIN RESTRICTIONS.—Clauses (ii)(II)

and (ii)(III) shall not apply in the

1 case of a State agency that has made  
 2 the use of a standard utility allowance  
 3 mandatory under subclause (I).”.

4 **SEC. 421. SIMPLIFIED DETERMINATION OF EARNED IN-**  
 5 **COME.**

6 Section 5(f)(1) of the Food Stamp Act of 1977 (7  
 7 U.S.C. 2014(f)(1)) is amended by adding at the end the  
 8 following:

9 “(C) SIMPLIFIED DETERMINATION OF  
 10 EARNED INCOME.—

11 “(i) IN GENERAL.—A State agency  
 12 may elect to determine monthly earned in-  
 13 come by multiplying weekly income by 4  
 14 and biweekly income by 2.

15 “(ii) ADJUSTMENT OF EARNED IN-  
 16 COME DEDUCTION.—A State agency that  
 17 makes an election described in clause (i)  
 18 shall adjust the earned income deduction  
 19 under subsection (e)(2)(B) to the extent  
 20 necessary to prevent the election from re-  
 21 sulting in increased costs to the food  
 22 stamp program, as determined consistent  
 23 with standards promulgated by the Sec-  
 24 retary.”.

1 **SEC. 422. SIMPLIFIED DETERMINATION OF DEDUCTIONS.**

2 Section 5(f)(1) of the Food Stamp Act of 1977 (7  
3 U.S.C. 2014(f)(1)) (as amended by section 421) is amend-  
4 ed by adding at the end the following:

5 “(D) SIMPLIFIED DETERMINATION OF DE-  
6 Ductions.—

7 “(i) IN GENERAL.—Except as pro-  
8 vided in clause (ii), for the purposes of  
9 subsection (e), a State agency may elect to  
10 disregard until the next redetermination of  
11 eligibility under section 11(e)(4) 1 or more  
12 types of changes in the circumstances of a  
13 household that affect the amount of deduc-  
14 tions the household may claim under sub-  
15 section (e).

16 “(ii) CHANGES THAT MAY NOT BE  
17 DISREGARDED.—Under clause (i), a State  
18 agency may not disregard—

19 “(I) any reported change of resi-  
20 dence; or

21 “(II) under standards prescribed  
22 by the Secretary, any change in  
23 earned income.”.

24 **SEC. 423. SIMPLIFIED RESOURCE ELIGIBILITY LIMIT.**

25 Section 5(g)(1) of the Food Stamp Act of 1977 (7  
26 U.S.C. 2014(g)(1)) is amended by striking “a member



1 who is 60 years of age or older” and inserting “an elderly  
2 or disabled member”.

3 **SEC. 424. EXCLUSION OF LICENSED VEHICLES FROM FI-**  
4 **NANCIAL RESOURCES.**

5 (a) IN GENERAL.—Section 5(g)(2) of the Food  
6 Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended—

7 (1) in subparagraph (B)—

8 (A) in clause (iii), by adding “and” at the  
9 end;

10 (B) by striking clause (iv); and

11 (C) by redesignating clause (v) as clause  
12 (iv);

13 (2) by striking subparagraph (C) and inserting  
14 the following:

15 “(C) EXCLUDED VEHICLES.—The Sec-  
16 retary shall exclude from financial resources  
17 any licensed vehicle used for household trans-  
18 portation.”; and

19 (3) by striking subparagraph (D).

20 (b) CONFORMING AMENDMENT.—Section 17 of the  
21 Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by  
22 striking subsection (h).

1 **SEC. 425. EXCLUSION OF RETIREMENT ACCOUNTS FROM FI-**  
 2 **NANCIAL RESOURCES.**

3 Section 5(g)(2)(B) of the Food Stamp Act of 1977  
 4 (7 U.S.C. 2014(g)(2)(B)) (as amended by section  
 5 424(a)(1)) is amended by striking clause (iv) and inserting  
 6 the following:

7 “(iv) any savings account (other than  
 8 a retirement account (including an indi-  
 9 vidual account)).”.

10 **SEC. 426. COORDINATED AND SIMPLIFIED DEFINITION OF**  
 11 **RESOURCES.**

12 Section 5(g) of the Food Stamp Act of 1977 (7  
 13 U.S.C. 2014(g)) is amended by adding at the end the fol-  
 14 lowing:

15 “(6) EXCLUSION OF TYPES OF FINANCIAL RE-  
 16 SOURCES NOT CONSIDERED UNDER CERTAIN OTHER  
 17 FEDERAL PROGRAMS.—

18 “(A) IN GENERAL.—Subject to subpara-  
 19 graph (B), the Secretary shall promulgate regu-  
 20 lations under which a State agency may, at the  
 21 option of the State agency, exclude from finan-  
 22 cial resources under this subsection any types  
 23 of financial resources that the State agency  
 24 does not consider when determining eligibility  
 25 for—

1 “(i) cash assistance under a program  
 2 funded under part A of title IV of the So-  
 3 cial Security Act (42 U.S.C. 601 et seq.);  
 4 or

5 “(ii) medical assistance under section  
 6 1931 of the Social Security Act (42 U.S.C.  
 7 1396u–1).

8 “(B) LIMITATIONS.—Subparagraph (A)  
 9 does not authorize a State agency to exclude—

10 “(i) cash;

11 “(ii) amounts in any account in a fi-  
 12 nancial institution that are readily avail-  
 13 able to the household; or

14 “(iii) any other similar type of re-  
 15 source the inclusion in financial resources  
 16 of which the Secretary determines by regu-  
 17 lation to be essential to equitable deter-  
 18 minations of eligibility under the food  
 19 stamp program, except to the extent that  
 20 any of those types of resources are ex-  
 21 cluded under another paragraph of this  
 22 subsection.”.

23 **SEC. 427. ALTERNATIVE ISSUANCE SYSTEMS IN DISASTERS.**

24 Section 5(h)(3)(B) of the Food Stamp Act of 1977  
 25 (7 U.S.C. 2014(h)(3)(B)) is amended—

1 (1) in the first sentence, by inserting “issuance  
2 methods and” after “shall adjust”; and

3 (2) in the second sentence, by inserting “, any  
4 conditions that make reliance on electronic benefit  
5 transfer systems described in section 7(i) impracti-  
6 cable,” after “personnel”.

7 **SEC. 428. SIMPLIFIED REPORTING SYSTEMS.**

8 Section 6(c)(1) of the Food Stamp Act of 1977 (7  
9 U.S.C. 2015(c)(1)) is amended—

10 (1) in subparagraph (B), by striking “monthly”  
11 and inserting “periodic”; and

12 (2) by adding at the end the following:

13 “(D) FREQUENCY OF REPORTING.—

14 “(i) IN GENERAL.—Except as pro-  
15 vided in subparagraphs (A) and (C), a  
16 State agency may require households that  
17 report on a periodic basis to submit  
18 reports—

19 “(I) not less often than once each  
20 6 months; but

21 “(II) not more often than once  
22 each month.

23 “(ii) REPORTING BY HOUSEHOLDS  
24 WITH EXCESS INCOME.—A household re-  
25 quired to report less often than once each

1           3 months shall, notwithstanding subpara-  
 2           graph (B), report in a manner prescribed  
 3           by the Secretary if the income of the  
 4           household for any month exceeds the  
 5           standard established under section  
 6           5(c)(2).”.

7 **SEC. 429. SIMPLIFIED TIME LIMIT.**

8           (a) IN GENERAL.—Section 6(o) of the Food Stamp  
 9 Act of 1977 (7 U.S.C. 2015(o)) is amended—

10           (1) in paragraph (2)—

11                   (A) by striking “36-month” and inserting  
 12                   “12-month”;

13                   (B) by striking “3” and inserting “6”; and

14                   (C) in subparagraph (D), by striking “(4),  
 15                   (5), or (6)” and inserting “(4), or (5)”;

16           (2) by striking paragraph (5);

17           (3) in paragraph (6)(A)(ii)—

18                   (A) in subclause (III), by adding “and” at  
 19                   the end;

20                   (B) in subclause (IV), by striking “; and”  
 21                   and inserting a period; and

22                   (C) by striking subclause (V); and

23           (4) by redesignating paragraphs (6) and (7) as  
 24           paragraphs (5) and (6), respectively.

1 (b) IMPLEMENTATION OF AMENDMENTS.—For the  
 2 purpose of implementing the amendments made by sub-  
 3 section (a), a State agency shall disregard any period dur-  
 4 ing which an individual received food stamp benefits be-  
 5 fore the effective date of this title.

6 **SEC. 430. PRESERVATION OF ACCESS TO ELECTRONIC BEN-**  
 7 **EFITS.**

8 (a) IN GENERAL.—Section 7(i)(1) of the Food Stamp  
 9 Act of 1977 (7 U.S.C. 2016(i)(1)) is amended by adding  
 10 at the end the following:

11 “(E) PROTECTION OF THE ELDERLY, THE  
 12 DISABLED, AND OTHERS HAVING DIFFICULTY  
 13 WITH EBT SYSTEMS.—

14 “(i) IN GENERAL.—No benefits shall  
 15 be taken off-line or otherwise made inac-  
 16 cessible because of inactivity until at least  
 17 180 days have elapsed since a household  
 18 last accessed the account of the household.

19 “(ii) NOTICE TO HOUSEHOLD.—In a  
 20 case in which benefits are taken off-line or  
 21 otherwise made inaccessible, the household  
 22 shall be sent a notice that—

23 “(I) explains how to reactivate  
 24 the benefits; and

1                   “(II) offers assistance if the  
2                   household is having difficulty access-  
3                   ing the benefits of the household.”.

4           (b) APPLICABILITY.—The amendment made by sub-  
5 section (a) shall apply with respect to each contract to op-  
6 erate an electronic benefit transfer system that a State  
7 agency enters into after the date of enactment of this Act.

8 **SEC. 431. COST-NEUTRALITY FOR ELECTRONIC BENEFIT**  
9 **TRANSFER SYSTEMS.**

10       Section 7(i)(2)(A) of the Food Stamp Act of 1977  
11 (7 U.S.C. 2016(i)(2)(A)) is amended by striking “system  
12 to ensure” and all that follows and inserting “system;”.

13 **SEC. 432. SIMPLIFIED PROCEDURES FOR RESIDENTS OF**  
14 **CERTAIN GROUP FACILITIES.**

15       (a) IN GENERAL.—Section 8 of the Food Stamp Act  
16 of 1977 (7 U.S.C. 2017) is amended by adding at the end  
17 the following:

18       “(f) SIMPLIFIED PROCEDURES FOR RESIDENTS OF  
19 CERTAIN GROUP FACILITIES.—

20           “(1) IN GENERAL.—At the option of the State  
21 agency, allotments for residents of facilities de-  
22 scribed in subparagraph (A), (B), or (E) of section  
23 3(i)(5) may be determined and issued under this  
24 subsection in lieu of subsection (a).

1           “(2) AMOUNT OF ALLOTMENT.—The allotment  
2           for each eligible resident described in paragraph (1)  
3           shall be calculated in accordance with standardized  
4           procedures established by the Secretary that take  
5           into account the allotments typically received by resi-  
6           dents of facilities described in paragraph (1).

7           “(3) ISSUANCE OF ALLOTMENT.—

8                 “(A) IN GENERAL.—The State agency  
9                 shall issue an allotment determined under this  
10                subsection to the administration of a facility de-  
11               scribed in paragraph (1) as the authorized rep-  
12               resentative of the residents of the facility.

13               “(B) ADJUSTMENT.—The Secretary shall  
14               establish procedures to ensure that a facility de-  
15               scribed in paragraph (1) does not receive a  
16               greater proportion of a resident’s monthly allot-  
17               ment than the proportion of the month during  
18               which the resident lived in the facility.

19           “(4) DEPARTURES OF COVERED RESIDENTS.—

20               “(A) NOTIFICATION.—Any facility de-  
21               scribed in paragraph (1) that receives an allot-  
22               ment for a resident under this subsection  
23               shall—

24                         “(i) notify the State agency promptly  
25                         on the departure of the resident; and



1 “(ii) notify the resident, before the de-  
2 parture of the resident, that the resident—

3 “(I) is eligible for continued ben-  
4 efits under the food stamp program;  
5 and

6 “(II) should contact the State  
7 agency concerning continuation of the  
8 benefits.

9 “(B) ISSUANCE TO DEPARTED RESI-  
10 DENTS.—On receiving a notification under sub-  
11 paragraph (A)(i) concerning the departure of a  
12 resident, the State agency—

13 “(i) shall promptly issue the departed  
14 resident an allotment for the days of the  
15 month after the departure of the resident  
16 (calculated in a manner prescribed by the  
17 Secretary) unless the departed resident re-  
18 applies to participate in the food stamp  
19 program; and

20 “(ii) may issue an allotment for the  
21 month following the month of the depar-  
22 ture (but not any subsequent month) based  
23 on this subsection unless the departed resi-  
24 dent reapplies to participate in the food  
25 stamp program.

1           “(C) AUTHORIZED DELAY IN ISSUANCE.—  
 2           The State agency may delay issuance under  
 3           subparagraph (B)(i) if the State agency lacks  
 4           sufficient information on the location of the de-  
 5           parted resident to provide the allotment.

6           “(D) EFFECT OF REAPPLICATION.—If the  
 7           departed resident reapplies to participate in the  
 8           food stamp program, the allotment of the de-  
 9           parted resident shall be determined without re-  
 10          gard to this subsection.”.

11       (b) CONFORMING AMENDMENTS.—

12           (1) Section 3(i) of the Food Stamp Act of 1977  
 13       (7 U.S.C. 2012(i)) is amended—

14           (A) by striking “(i) ‘Household’ means (1)  
 15           an” and inserting the following:

16       “(i)(1) ‘Household’ means—

17           “(A) an”;

18           (B) in the first sentence, by striking “oth-  
 19           ers, or (2) a group” and inserting the following:

20           “others; or

21           “(B) a group”;

22           (C) in the second sentence, by striking  
 23           “Spouses” and inserting the following:

24       “(2) Spouses”;

1 (D) in the third sentence, by striking  
 2 “Notwithstanding” and inserting the following:

3 “(3) Notwithstanding”;

4 (E) in paragraph (3) (as designated by  
 5 subparagraph (D)), by striking “the preceding  
 6 sentences” and inserting “paragraphs (1) and  
 7 (2)”;

8 (F) in the fourth sentence, by striking “In  
 9 no event” and inserting the following:

10 “(4) In no event”;

11 (G) in the fifth sentence, by striking “For  
 12 the purposes of this subsection, residents” and  
 13 inserting the following:

14 “(5) For the purposes of this subsection, the fol-  
 15 lowing persons shall not be considered to be residents of  
 16 institutions and shall be considered to be individual house-  
 17 holds:

18 “(A) Residents”; and

19 (H) in paragraph (5) (as designated by  
 20 subparagraph (G))—

21 (i) by striking “Act, or are individ-  
 22 uals” and inserting the following: “Act.

23 “(B) Individuals”;

1 (ii) by striking “such section, tem-  
 2 porary” and inserting the following: “that  
 3 section.

4 “(C) Temporary”;

5 (iii) by striking “children, residents”  
 6 and inserting the following: “children.

7 “(D) Residents”;

8 (iv) by striking “coupons, and nar-  
 9 cotics” and inserting the following: “cou-  
 10 pons.

11 “(E) Narcotics”; and

12 (v) by striking “shall not” and all  
 13 that follows and inserting a period.

14 (2) Section 5(a) of the Food Stamp Act of  
 15 1977 (7 U.S.C. 2014(a)) is amended by striking  
 16 “the third sentence of section 3(i)” each place it ap-  
 17 pears and inserting “section 3(i)(4)”.

18 (3) Section 8(e)(1) of the Food Stamp Act of  
 19 1977 (7 U.S.C. 2017(e)(1)) is amended by striking  
 20 “the last sentence of section 3(i)” and inserting  
 21 “section 3(i)(5)”.

22 (4) Section 17(b)(1)(B)(iv)(III)(aa) of the Food  
 23 Stamp Act of 1977 (7 U.S.C.  
 24 2026(b)(1)(B)(iv)(III)(aa)) is amended by striking

1 “the last 2 sentences of section 3(i)” and inserting  
 2 “paragraphs (4) and (5) of section 3(i)”.

3 **SEC. 433. SIMPLIFIED DETERMINATIONS OF CONTINUING**  
 4 **ELIGIBILITY.**

5 (a) IN GENERAL.—Section 11(e) of the Food Stamp  
 6 Act of 1977 (7 U.S.C. 2020(e)) is amended—

7 (1) by striking paragraph (4) and inserting the  
 8 following:

9 “(4)(A) that the State agency shall periodically  
 10 require each household to cooperate in a redeter-  
 11 mination of the eligibility of the household.

12 “(B) A redetermination under subparagraph  
 13 (A) shall—

14 “(i) be based on information supplied by  
 15 the household; and

16 “(ii) conform to standards established by  
 17 the Secretary.

18 “(C) The interval between redeterminations of  
 19 eligibility under subparagraph (A) shall not exceed  
 20 the eligibility review period;” and

21 (2) in paragraph (10)—

22 (A) by striking “within the household’s  
 23 certification period”; and

24 (B) by striking “or until” and all that fol-  
 25 lows through “occurs earlier”.

1 (b) CONFORMING AMENDMENTS.—

2 (1) Section 3(c) of the Food Stamp Act of 1977  
3 (7 U.S.C. 2012(c)) is amended—

4 (A) by striking “Certification period” and  
5 inserting “Eligibility review period”; and

6 (B) by striking “certification period” each  
7 place it appears and inserting “eligibility review  
8 period”.

9 (2) Section 5 of the Food Stamp Act of 1977  
10 (7 U.S.C. 2014) is amended—

11 (A) in subsection (d)(2), by striking “in  
12 the certification period which” and inserting  
13 “that”; and

14 (B) in subsection (e) (as amended by sec-  
15 tion 419(b)(1)(B))—

16 (i) in paragraph (5)(B)(ii)—

17 (I) in subclause (II), by striking  
18 “certification period” and inserting  
19 “eligibility review period”; and

20 (II) in subclause (III), by strik-  
21 ing “has been anticipated for the cer-  
22 tification period” and inserting “was  
23 anticipated when the household ap-  
24 plied or at the most recent redeter-

1                   mination of eligibility for the house-  
2                   hold”; and

3                   (ii) in paragraph (6)(C)(iii)(II), by  
4                   striking “the end of a certification period”  
5                   and inserting “each redetermination of the  
6                   eligibility of the household”.

7                   (3) Section 6 of the Food Stamp Act of 1977  
8                   (7 U.S.C. 2015) is amended—

9                   (A) in subsection (c)(1)(C)(iv), by striking  
10                  “certification period” each place it appears and  
11                  inserting “interval between required redeter-  
12                  minations of eligibility”; and

13                  (B) in subsection (d)(1)(D)(v)(II), by  
14                  striking “a certification period” and inserting  
15                  “an eligibility review period”.

16                  (4) Section 8(c) of the Food Stamp Act of 1977  
17                  (7 U.S.C. 2017(c)) is amended—

18                  (A) in the second sentence of paragraph  
19                  (1), by striking “within a certification period”;  
20                  and

21                  (B) in paragraph (2)(B), by striking “expi-  
22                  ration of” and all that follows through “during  
23                  a certification period,” and inserting “termi-  
24                  nation of benefits to the household,”.

1           (5) Section 11(e)(16) of the Food Stamp Act of  
 2           1977 (7 U.S.C. 2020(e)(16)) is amended by striking  
 3           “the certification or recertification” and inserting  
 4           “determining the eligibility”.

5   **SEC. 434. SIMPLIFIED APPLICATION PROCEDURES FOR**  
 6           **THE ELDERLY AND DISABLED.**

7           (a) IN GENERAL.—Section 11(i) of the Food Stamp  
 8   Act of 1977 (7 U.S.C. 2020(i)) is amended—

9           (1) in paragraph (1)—

10           (A) by striking “income shall be informed”  
 11           and inserting the following: “income shall be—  
 12           “(A) informed”;

13           (B) by striking “program and be assisted”  
 14           and inserting the following: “program;  
 15           “(B) assisted”; and

16           (C) by striking “office and be certified”  
 17           and inserting the following: “office; and  
 18           “(C) certified”; and

19           (2) by adding at the end the following:

20           “(3) DUAL-PURPOSE APPLICATIONS.—

21           “(A) IN GENERAL.—Under regulations  
 22           promulgated by the Secretary after consultation  
 23           with the Commissioner of Social Security, a  
 24           State agency may enter into a memorandum of  
 25           understanding with the Commissioner under



1           which an application for supplemental security  
 2           income benefits under title XVI of the Social  
 3           Security Act (42 U.S.C. 1381 et seq.) from a  
 4           household composed entirely of applicants for or  
 5           recipients of those benefits shall also be consid-  
 6           ered to be an application for benefits under the  
 7           food stamp program.

8           “(B) CERTIFICATION; REPORTING RE-  
 9           QUIREMENTS.—A household covered by a  
 10          memorandum of understanding under subpara-  
 11          graph (A)—

12                 “(i) shall be certified based exclusively  
 13                 on information provided to the Commis-  
 14                 sioner, including such information as the  
 15                 Secretary shall require to be collected  
 16                 under the terms of any memorandum of  
 17                 understanding under this paragraph; and

18                 “(ii) shall not be subject to any re-  
 19                 porting requirement under section 6(c).

20           “(C) EXCEPTIONS TO VALUE OF ALLOT-  
 21          MENT.—The Secretary shall provide by regula-  
 22          tion for such exceptions to section 8(a) as are  
 23          necessary because a household covered by a  
 24          memorandum of understanding under subpara-

graph (A) did not complete an application under subsection (e)(2).

“(D) COVERAGE.—In accordance with standards promulgated by the Secretary, a memorandum of understanding under subparagraph (A) need not cover all classes of applicants and recipients referred to in subparagraph (A).

“(E) EXEMPTION FROM CERTAIN APPLICATION PROCEDURES.—In the case of any member of a household covered by a memorandum of understanding under subparagraph (A), the Commissioner shall not be required to comply with—

“(i) subparagraph (B) or (C) of paragraph (1); or

“(ii) subsection (j)(1)(B).

“(F) RIGHT TO APPLY UNDER REGULAR PROGRAM.—The Secretary shall ensure that each household covered by a memorandum of understanding under subparagraph (A) is informed that the household may—

“(i)(I) submit an application under subsection (e)(2); and

1 “(II) have the eligibility and value of  
 2 the allotment of the household under the  
 3 food stamp program determined without  
 4 regard to this paragraph; or

5 “(ii) decline to participate in the food  
 6 stamp program.

7 “(G) TRANSITION PROVISION.—Notwith-  
 8 standing the requirement for the promulgation  
 9 of regulations under subparagraph (A), the Sec-  
 10 retary may approve a request from a State  
 11 agency to enter into a memorandum of under-  
 12 standing in accordance with this paragraph  
 13 during the period—

14 “(i) beginning on the date of enact-  
 15 ment of this paragraph; and

16 “(ii) ending on the earlier of—

17 “(I) the date of promulgation of  
 18 the regulations; or

19 “(II) the date that is 3 years  
 20 after the date of enactment of this  
 21 paragraph.”.

22 (b) CONFORMING AMENDMENTS.—Section 11(j)(1)  
 23 of the Food Stamp Act of 1977 (7 U.S.C. 2020(j)(1)) is  
 24 amended—

1           (1) by striking “shall be informed” and insert-  
 2           ing the following: “shall be—  
 3           “(A) informed”; and  
 4           (2) by striking “program and informed” and in-  
 5           serting the following: “program; and  
 6           “(B) informed”.

7   **SEC. 435. TRANSITIONAL FOOD STAMPS FOR FAMILIES**  
 8           **MOVING FROM WELFARE.**

9           (a) IN GENERAL.—Section 11 of the Food Stamp Act  
 10          of 1977 (7 U.S.C. 2020) is amended by adding at the end  
 11          the following:

12          “(s) TRANSITIONAL BENEFITS OPTION.—

13               “(1) IN GENERAL.—A State agency may pro-  
 14               vide transitional food stamp benefits to a household  
 15               that ceases to receive cash assistance under a State  
 16               program funded under part A of title IV of the So-  
 17               cial Security Act (42 U.S.C. 601 et seq.).

18               “(2) TRANSITIONAL BENEFITS PERIOD.—Under  
 19               paragraph (1), a household may continue to receive  
 20               food stamp benefits for a period of not more than  
 21               6 months after the date on which cash assistance is  
 22               terminated.

23               “(3) AMOUNT OF BENEFITS.—During the tran-  
 24               sitional benefits period under paragraph (2), a  
 25               household shall receive an amount of food stamp

1       benefits equal to the allotment received in the month  
 2       immediately preceding the date on which cash assist-  
 3       ance was terminated, adjusted for—

4               “(A) the change in household income as a  
 5               result of the termination of cash assistance; and

6               “(B) any changes in circumstances that  
 7               may result in an increase in the food stamp al-  
 8               lotment of the household and that the house-  
 9               hold elects to report.

10              “(4) DETERMINATION OF FUTURE ELIGI-  
 11              BILITY.—In the final month of the transitional bene-  
 12              fits period under paragraph (2), the State agency  
 13              may—

14               “(A) require the household to cooperate in  
 15               a redetermination of eligibility to receive an au-  
 16               thorization card; and

17               “(B) initiate a new eligibility review period  
 18               for the household without regard to whether the  
 19               preceding eligibility review period has expired.

20              “(5) LIMITATION.—A household shall not be el-  
 21              igible for transitional benefits under this subsection  
 22              if the household—

23               “(A) loses eligibility under section 6;

24               “(B) is sanctioned for a failure to perform  
 25               an action required by Federal, State, or local

1 law relating to a cash assistance program de-  
 2 scribed in paragraph (1); or

3 “(C) is a member of any other category of  
 4 households designated by the State agency as  
 5 ineligible for transitional benefits.”.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Section 3(c) of the Food Stamp Act of 1977  
 8 (7 U.S.C. 2012(c)) is amended by adding at the end  
 9 the following: “The limits specified in this section  
 10 may be extended until the end of any transitional  
 11 benefit period established under section 11(s).”.

12 (2) Section 6(c) of the Food Stamp Act of 1977  
 13 (7 U.S.C. 2015(c)) is amended by striking “No  
 14 household” and inserting “Except in a case in which  
 15 a household is receiving transitional benefits during  
 16 the transitional benefits period under section 11(s),  
 17 no household”.

18 **SEC. 436. QUALITY CONTROL.**

19 (a) IN GENERAL.—Section 16(c) of the Food Stamp  
 20 Act of 1977 (7 U.S.C. 2025(c)) is amended—

21 (1) in paragraph (1), by striking “Under such  
 22 system” and all that follows and inserting the fol-  
 23 lowing: “The system referred to in the preceding  
 24 sentence shall have the following elements:

1           “(A) CORRECTIVE ACTION PLANS.—The  
2           Secretary shall foster management improve-  
3           ments by the States by requiring State agencies  
4           to develop and implement corrective action  
5           plans to reduce payment errors.

6           “(B) INVESTIGATION AND INITIAL SANC-  
7           TIONS.—

8           “(i) INVESTIGATION.—Except as pro-  
9           vided under subparagraph (C), for any fis-  
10          cal year in which the Secretary determines  
11          that a 95 percent statistical probability ex-  
12          ists that the payment error rate of a State  
13          agency exceeds the national performance  
14          measure for payment error rates an-  
15          nounced under paragraph (6) by more  
16          than 1 percentage point, other than for  
17          good cause shown, the Secretary shall in-  
18          vestigate the administration by the State  
19          agency of the food stamp program unless  
20          the Secretary determines that sufficient in-  
21          formation is already available.

22          “(ii) INITIAL SANCTIONS.—If an in-  
23          vestigation under clause (i) results in a de-  
24          termination that the State agency has been  
25          seriously negligent (as determined under

standards promulgated by the Secretary),  
the State agency shall pay the Secretary  
an amount that reflects the extent of such  
negligence (as determined under standards  
promulgated by the Secretary), not to ex-  
ceed 5 percent of the amount provided to  
the State agency under subsection (a) for  
the fiscal year.

“(C) ADDITIONAL SANCTIONS.—If, for any  
fiscal year, the Secretary determines that a 95  
percent statistical probability exists that the  
payment error rate of a State agency exceeds  
the national performance measure for payment  
error rates announced under paragraph (6) by  
more than 1 percentage point, other than for  
good cause shown, and that the State agency  
was sanctioned under this paragraph or was the  
subject of an investigation under subparagraph  
(B)(i) for each of the 2 immediately preceding  
fiscal years, the State agency shall pay to the  
Secretary an amount equal to the product ob-  
tained by multiplying—

“(i) the value of all allotments issued  
by the State agency in the fiscal year;

“(ii) the lesser of—



1 “(I) the ratio that—

2 “(aa) the amount by which  
3 the payment error rate of the  
4 State agency for the fiscal year  
5 exceeds by more than 1 percent-  
6 age point the national perform-  
7 ance measure for the fiscal year;  
8 bears to

9 “(bb) 10 percent; or

10 “(II) 1; and

11 “(iii) the amount by which the pay-  
12 ment error rate of the State agency for the  
13 fiscal year exceeds by more than 1 percent-  
14 age point the national performance meas-  
15 ure for the fiscal year.”;

16 (2) in paragraph (2)(A), by inserting before the  
17 semicolon the following: “, as adjusted downward as  
18 appropriate under paragraph (10)”;

19 (3) in the first sentence of paragraph (4), by  
20 striking “, enhanced administrative funding,” and  
21 all that follows and inserting “under this subsection,  
22 high performance bonus payment under paragraph  
23 (11), or claim for payment error under paragraph  
24 (1).”;

1           (4) in the first sentence of paragraph (5), by  
 2           striking “to establish” and all that follows and in-  
 3           serting the following: “to establish the payment  
 4           error rate for the State agency for the fiscal year,  
 5           to comply with paragraph (10), and to determine the  
 6           amount of any high performance bonus payment of  
 7           the State agency under paragraph (11) or claim  
 8           under paragraph (1).”;

9           (5) in the first sentence of paragraph (6), by  
 10          striking “incentive payments or claims pursuant to  
 11          paragraphs (1)(A) and (1)(C),” and inserting  
 12          “claims under paragraph (1),”; and

13          (6) by adding at the end the following:

14          “(10) ADJUSTMENTS OF PAYMENT ERROR  
 15          RATE.—

16               “(A) IN GENERAL.—

17                   “(i) FISCAL YEAR 2002.—Subject to  
 18                   clause (ii), for fiscal year 2002, in applying  
 19                   paragraph (1), the Secretary shall adjust  
 20                   the payment error rate determined under  
 21                   paragraph (2)(A) as necessary to eliminate  
 22                   any increases in errors that result from the  
 23                   State agency’s serving a higher percentage  
 24                   of households with earned income, house-  
 25                   holds with 1 or more members who are not

United States citizens, or both, than the lesser of, as the case may be—

“(I) the percentage of households of the corresponding type that receive food stamps nationally; or

“(II) the percentage of—

“(aa) households with earned income that received food stamps in the State in fiscal year 1992; or

“(bb) households with members who are not United States citizens that received food stamps in the State in fiscal year 1998.

“(ii) EXPANDED APPLICABILITY TO STATE AGENCIES SUBJECT TO SANCTIONS.—In the case of a State agency subject to sanctions for fiscal year 2001 or any fiscal year thereafter under paragraph (1), the adjustments described in clause (i) shall apply to the State agency for the fiscal year.

“(B) CONTINUATION OR MODIFICATION OF ADJUSTMENTS.—For fiscal year 2003 and each fiscal year thereafter, the Secretary may deter-

1 mine whether the continuation or modification  
 2 of the adjustments described in subparagraph  
 3 (A)(i) or the substitution of other adjustments  
 4 is most consistent with achieving the purposes  
 5 of this Act.”.

6 (b) CONFORMING AMENDMENT.—Section 22(h) of  
 7 the Food Stamp Act of 1977 (7 U.S.C. 2031(h)) is  
 8 amended by striking the last sentence.

9 (c) APPLICABILITY.—Except as otherwise provided in  
 10 the amendments made by subsection (a), the amendments  
 11 made by subsection (a) shall apply to fiscal year 2001 and  
 12 each fiscal year thereafter.

13 **SEC. 437. IMPROVEMENT OF CALCULATION OF STATE PER-**  
 14 **FORMANCE MEASURES.**

15 Section 16(c)(8)(C) of the Food Stamp Act of 1977  
 16 (7 U.S.C. 2025(c)(8)(C)) is amended by striking “30 days  
 17 thereafter” and inserting “the first June 30 after the end  
 18 of the fiscal year referred to in subparagraph (A)”.

19 **SEC. 438. BONUSES FOR STATES THAT DEMONSTRATE HIGH**  
 20 **PERFORMANCE.**

21 (a) IN GENERAL.—Section 16(c) of the Food Stamp  
 22 Act of 1977 (7 U.S.C. 2025(c)) (as amended by section  
 23 436(a)(6)) is amended—

24 (1) in the first sentence of paragraph (1), by  
 25 striking “enhanced administrative funding to States

1 with the lowest error rates.” and inserting “bonus  
 2 payments to States that demonstrate high levels of  
 3 performance.”; and

4 (2) by adding at the end the following:

5 “(11) HIGH PERFORMANCE BONUS PAY-  
 6 MENTS.—

7 “(A) IN GENERAL.—For each fiscal year,  
 8 the Secretary shall—

9 “(i) measure the performance of each  
 10 State agency with respect to each of the  
 11 performance measures specified in sub-  
 12 paragraph (B); and

13 “(ii) subject to subparagraph (D),  
 14 make high performance bonus payments to  
 15 the State agencies with the highest  
 16 achievement with respect to those perform-  
 17 ance measures.

18 “(B) PERFORMANCE MEASURES.—The  
 19 performance measures specified in this subpara-  
 20 graph are—

21 “(i)(I) the greatest dollar amount of  
 22 total claims collected in the fiscal year as  
 23 a proportion of the overpayment dollar  
 24 amount in the previous fiscal year; and

1 “(II) the greatest percentage point  
 2 improvement under clause (i)(I) from the  
 3 previous fiscal year to the fiscal year;

4 “(ii) the greatest improvement from  
 5 the previous fiscal year to the fiscal year in  
 6 the ratio, expressed as a percentage,  
 7 that—

8 “(I) the number of households in  
 9 the State that—

10 “(aa) have incomes less than  
 11 130 percent of the poverty line  
 12 (as defined in section 673 of the  
 13 Community Services Block Grant  
 14 Act (42 U.S.C. 9902));

15 “(bb) are eligible for food  
 16 stamp benefits; and

17 “(cc) receive food stamps  
 18 benefits; bears to

19 “(II) the number of households  
 20 in the State that—

21 “(aa) have incomes less than  
 22 130 percent of the poverty line  
 23 (as so defined); and

24 “(bb) are eligible for food  
 25 stamp benefits;

1                   “(iii) the lowest overpayment error  
2 rate;

3                   “(iv) the greatest percentage point im-  
4 provement from the previous fiscal year to  
5 the fiscal year in the overpayment error  
6 rate;

7                   “(v) the lowest negative error rate;

8                   “(vi) the greatest percentage point im-  
9 provement from the previous year to the  
10 fiscal year in the negative error rate;

11                   “(vii) the lowest underpayment error  
12 rate;

13                   “(viii) the greatest percentage point  
14 improvement from the previous year to the  
15 fiscal year in the underpayment error rate;

16                   “(ix) the greatest percentage of new  
17 applications processed within the deadlines  
18 established under paragraphs (3) and (9)  
19 of section 11(e); and

20                   “(x) the least average period of time  
21 needed to process applications under para-  
22 graphs (3) and (9) of section 11(e).

23                   “(C) HIGH PERFORMANCE BONUS PAY-  
24 MENTS.—

1 “(i) DEFINITION OF CASELOAD.—In  
 2 this subparagraph, the term ‘caseload’ has  
 3 the meaning given the term in section  
 4 6(o)(5)(A).

5 “(ii) AMOUNT OF PAYMENTS.—

6 “(I) IN GENERAL.—For each fis-  
 7 cal year, the Secretary shall—

8 “(aa) make 1 high perform-  
 9 ance bonus payment of  
 10 \$10,000,000 for each of the 10  
 11 performance measures under sub-  
 12 paragraph (B); and

13 “(bb) allocate the high per-  
 14 formance bonus payment with re-  
 15 spect to each performance meas-  
 16 ure in accordance with subclauses  
 17 (II) and (III).

18 “(II) PAYMENT FOR PERFORM-  
 19 ANCE MEASURE CONCERNING CLAIMS  
 20 COLLECTED.—For each fiscal year,  
 21 the Secretary shall allocate the high  
 22 performance bonus payment made for  
 23 the performance measure under sub-  
 24 paragraph (B)(i) among the 20 State  
 25 agencies with the highest performance



1 in the performance measure in the  
2 ratio that—

3 “(aa) the caseload of each  
4 such State agency; bears to

5 “(bb) the caseloads of all  
6 such State agencies.

7 “(III) PAYMENTS FOR OTHER  
8 PERFORMANCE MEASURES.—For each  
9 fiscal year, the Secretary shall allocate  
10 the high performance bonus payment  
11 made for the performance measure  
12 under each of clauses (ii) through (x)  
13 of subparagraph (B) among the 10  
14 State agencies with the highest per-  
15 formance in the performance measure  
16 in the ratio that—

17 “(aa) the caseload of each  
18 such State agency; bears to

19 “(bb) the caseloads of all  
20 such State agencies.

21 “(iii) DETERMINATION OF HIGHEST  
22 PERFORMERS.—

23 “(I) IN GENERAL.—In deter-  
24 mining the highest performers under  
25 clause (ii), the Secretary shall cal-

1           culate applicable percentages to 2 dec-  
2           imal places.

3                   “(II) DETERMINATION IN EVENT  
4           OF A TIE.—If, under subclause (I), 2  
5           or more State agencies have the same  
6           percentage with respect to a perform-  
7           ance measure, the Secretary shall cal-  
8           culate the percentage for the perform-  
9           ance measure to as many decimal  
10          places as are necessary to determine  
11          which State agency has the greatest  
12          percentage.

13                   “(D) LIMITATIONS FOR STATE AGENCIES  
14          SUBJECT TO SANCTIONS.—If, for any fiscal  
15          year, a State agency is subject to a sanction  
16          under paragraph (1)—

17                   “(i) the State agency shall not be eli-  
18                  gible for a high performance bonus pay-  
19                  ment under clause (iii), (iv), (vii), or (viii)  
20                  of subparagraph (B) for the fiscal year;  
21                  and

22                   “(ii) the State agency shall not receive  
23                  a high performance bonus payment for  
24                  which the State agency is otherwise eligible  
25                  under this paragraph for the fiscal year

1           until the obligation of the State agency  
 2           under the sanction has been satisfied (as  
 3           determined by the Secretary).

4           “(E) PAYMENTS NOT SUBJECT TO JUDI-  
 5           CIAL REVIEW.—A determination by the Sec-  
 6           retary whether, and in what amount, to make  
 7           a high performance bonus payment under this  
 8           paragraph shall not be subject to judicial re-  
 9           view.”.

10       (b) APPLICABILITY.—The amendment made by sub-  
 11       section (a) shall apply to fiscal year 2003 and each fiscal  
 12       year thereafter.

13       **SEC. 439. SIMPLIFIED FUNDING RULES FOR EMPLOYMENT**  
 14                               **AND TRAINING PROGRAMS.**

15       (a) LEVELS OF FUNDING.—Section 16(h)(1) of the  
 16       Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is  
 17       amended—

18               (1) in subparagraph (A)—

19                       (A) by striking “, to remain available until  
 20                       expended,”; and

21                       (B) by striking clause (vii) and inserting  
 22                       the following:

23                               “(vii) to remain available until  
 24                               expended—

1                   “(I) for fiscal year 2002,  
 2                   \$122,000,000;  
 3                   “(II) for fiscal year 2003,  
 4                   \$129,000,000;  
 5                   “(III) for fiscal year 2004,  
 6                   \$135,000,000;  
 7                   “(IV) for fiscal year 2005,  
 8                   \$142,000,000; and  
 9                   “(V) for fiscal year 2006,  
 10                  \$149,000,000.”;

11               (2) by striking subparagraph (B) and inserting  
 12               the following:

13                   “(B) ALLOCATION.—Funds made available  
 14                   under subparagraph (A) shall be made available  
 15                   to and reallocated among State agencies under  
 16                   a reasonable formula that—

17                   “(i) is determined and adjusted by the  
 18                   Secretary; and

19                   “(ii) takes into account the number of  
 20                   individuals who are not exempt from the  
 21                   work requirement under section 6(o).”;  
 22                   and

23               (3) by striking subparagraphs (E) through (G).

24               (b) RESCISSION OF CARRYOVER FUNDS.—Notwith-  
 25               standing any other provision of law, funds provided under

1 section 16(h)(1)(A) of the Food Stamp Act of 1977 (7  
 2 U.S.C. 2025(h)(1)(A)) for any fiscal year before fiscal  
 3 year 2002 shall cease to be available on the date of enact-  
 4 ment of this Act, unless obligated by a State agency before  
 5 that date.

6 (c) PARTICIPANT EXPENSES.—Section  
 7 6(d)(4)(I)(i)(I) of the Food Stamp Act of 1977 (7 U.S.C.  
 8 2015(d)(4)(I)(i)(I)) is amended by striking “\$25 per  
 9 month” and inserting “an amount not less than \$25 per  
 10 month”.

11 (d) FEDERAL REIMBURSEMENT.—Section 16(h)(3)  
 12 of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3))  
 13 is amended by striking “\$25” and inserting “the limit es-  
 14 tablished by the State agency under section  
 15 6(d)(4)(I)(i)(I)”.

16 **SEC. 440. REAUTHORIZATION OF FOOD STAMP PROGRAM.**

17 (a) REDUCTIONS IN PAYMENTS FOR ADMINISTRA-  
 18 TIVE COSTS.—Section 16(k)(3) of the Food Stamp Act  
 19 of 1977 (7 U.S.C. 2025(k)(3)) is amended—

20 (1) in the first sentence of subparagraph (A),  
 21 by striking “2002” and inserting “2006”; and

22 (2) in subparagraph (B)(ii), by striking “2002”  
 23 and inserting “2006”.

24 (b) CASH PAYMENT PILOT PROJECTS.—Section  
 25 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C.

1 2026(b)(1)(B)(vi)) is amended by striking “2002” and in-  
 2 serting “2006”.

3 (c) GRANTS TO IMPROVE FOOD STAMP PARTICIPA-  
 4 TION.—Section 17(i)(1)(A) of the Food Stamp Act of  
 5 1977 (7 U.S.C. 2026(i)(1)(A)) is amended in the first sen-  
 6 tence by striking “2002” and inserting “2006”.

7 (d) AUTHORIZATION OF APPROPRIATIONS.—Section  
 8 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C.  
 9 2027(a)(1)) is amended in the first sentence by striking  
 10 “2002” and inserting “2006”.

11 **SEC. 441. EXPANDED GRANT AUTHORITY.**

12 Section 17(a)(1) of the Food Stamp Act of 1977 (7  
 13 U.S.C. 2026(a)(1)) is amended—

14 (1) by striking “, by way of making” and in-  
 15 serting “make”;

16 (2) by striking “agencies,” and inserting “agen-  
 17 cies under this section to”; and

18 (3) by adding at the end the following: “The  
 19 waiver authority of the Secretary under subsection  
 20 (b) shall extend to all contracts and grants under  
 21 this section.”.

1 **SEC. 442. EXEMPTION OF WAIVERS FROM COST-NEU-**  
2 **TRALITY REQUIREMENT.**

3 Section 17(b)(1) of the Food Stamp Act of 1977 (7  
4 U.S.C. 2026(b)(1)) is amended by adding at the end the  
5 following:

6 “(E) COST NEUTRALITY.—

7 “(i) REQUIREMENTS FOR WAIVERS.—

8 “(I) ESTIMATION OF COSTS AND  
9 SAVINGS OF WAIVERS.—Before ap-  
10 proving a waiver for any demonstra-  
11 tion project proposed under this sub-  
12 section, the Secretary shall estimate  
13 the costs or savings likely to result  
14 from the waiver.

15 “(II) APPROVAL OF WAIVERS.—

16 The Secretary shall not approve any  
17 waiver that the Secretary estimates  
18 will increase costs to the Federal Gov-  
19 ernment unless—

20 “(aa) exigent circumstances  
21 require the approval of the waiv-  
22 er;

23 “(bb) the increase in costs is  
24 insignificant; or

25 “(cc) the increase in costs is  
26 necessary for a designated re-

1 search demonstration project  
2 under clause (ii).

3 “(III) MULTIYEAR COST NEU-  
4 TRALITY.—A waiver shall not be con-  
5 sidered to increase costs to the Fed-  
6 eral Government based on the impact  
7 of the waiver in any 1 fiscal year if  
8 the waiver is not expected to increase  
9 costs to the Federal Government over  
10 any 3-fiscal year period that includes  
11 the fiscal year.

12 “(ii) EXEMPTION FROM COST-NEU-  
13 TRALITY REQUIREMENT FOR CERTAIN  
14 PROJECTS.—

15 “(I) IN GENERAL.—For each fis-  
16 cal year, the Secretary may designate  
17 research demonstration projects  
18 that—

19 “(aa) have a substantial  
20 likelihood of producing informa-  
21 tion on important issues of food  
22 stamp program design or oper-  
23 ation; and

24 “(bb) the Secretary esti-  
25 mates are likely to increase costs



1 to the Federal Government by a  
2 total of not more than  
3 \$50,000,000 during the period of  
4 fiscal years 2002 through 2006.

5 “(II) EXEMPTION.—A project de-  
6 scribed in subclause (I) shall be ex-  
7 empt from clause (i).

8 “(iii) OFFSETS IN OTHER PRO-  
9 GRAMS.—In making determinations of  
10 costs to the Federal Government under  
11 this subparagraph, the Secretary shall esti-  
12 mate and consider savings to the Federal  
13 Government in other programs in such a  
14 manner as the Secretary determines to be  
15 appropriate.

16 “(iv) NO LOOK-BACK.—The Secretary  
17 shall not be required to adjust any esti-  
18 mate made under this subparagraph to re-  
19 flect the actual costs of a demonstration  
20 project as implemented by a State agen-  
21 cy.”.

1 **SEC. 443. PROGRAM SIMPLIFICATION DEMONSTRATION**  
 2 **PROJECTS.**

3 (a) ENHANCED WAIVER AUTHORITY.—Section 17 of  
 4 the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended  
 5 by striking subsection (e) and inserting the following:

6 “(e) PROGRAM SIMPLIFICATION DEMONSTRATION  
 7 PROJECTS.—

8 “(1) IN GENERAL.—With the approval of the  
 9 Secretary, not more than 5 State agencies may carry  
 10 out demonstration projects to test, for a period of  
 11 not more than 3 years, promising approaches to sim-  
 12 plifying the food stamp program.

13 “(2) TYPES OF DEMONSTRATION PROJECTS.—  
 14 Each demonstration project under paragraph (1)  
 15 shall test changes in food stamp program rules in  
 16 not more than 1 of the following 2 areas:

17 “(A)(i) Reporting requirements under sec-  
 18 tion 6(c).

19 “(ii) Verification methods under section  
 20 11(e)(3) (including reliance on data from pre-  
 21 ceding periods that can be obtained or verified  
 22 electronically).

23 “(iii) A combination of reporting require-  
 24 ments and verification methods.

25 “(B) The income standard of eligibility es-  
 26 tablished under section 5(c)(1), deductions

1 under section 5(e), and income budgeting proce-  
 2 dures under section 5(f).

3 “(3) SELECTION OF DEMONSTRATION  
 4 PROJECTS.—

5 “(A) IN GENERAL.—The Secretary shall  
 6 establish a competitive process to select, from  
 7 all projects proposed by State agencies, the  
 8 demonstration projects to be carried out under  
 9 this subsection based on which projects have  
 10 the greatest likelihood of producing useful infor-  
 11 mation on important issues of food stamp pro-  
 12 gram design or operation, as determined by the  
 13 Secretary.

14 “(B) GOALS.—In selecting demonstration  
 15 projects, the Secretary shall seek, at a min-  
 16 imum, to achieve a balance between—

17 “(i) simplifying the food stamp pro-  
 18 gram;

19 “(ii) reducing administrative burdens  
 20 on State agencies, households, and other  
 21 individuals and entities;

22 “(iii) providing nutrition assistance to  
 23 individuals most in need; and

24 “(iv) improving access to nutrition as-  
 25 sistance.

1           “(C) PROJECTS NOT ELIGIBLE FOR SELEC-  
 2           TION.—The Secretary shall not select any dem-  
 3           onstration project under this subsection that  
 4           the Secretary determines does not have a strong  
 5           likelihood of producing useful information on  
 6           important issues of food stamp program design  
 7           or operation.

8           “(D) DIVERSITY OF APPROACHES AND  
 9           AREAS.—In selecting demonstration projects to  
 10          be carried out under this subsection, the Sec-  
 11          retary shall seek to include—

12               “(i) projects that take diverse ap-  
 13               proaches;

14               “(ii) at least 1 project that will oper-  
 15               ate in an urban area; and

16               “(iii) at least 1 project that will oper-  
 17               ate in a rural area.

18           “(E) MAXIMUM AGGREGATE COST OF  
 19           PROJECTS.—The estimated aggregate cost of  
 20           projects selected by the Secretary under this  
 21           subsection shall not exceed \$90,000,000.

22           “(4) SIZE OF AREA.—Each demonstration  
 23           project selected under this subsection shall be car-  
 24           ried out in an area that contains not more than the  
 25           greater of—

1           “(A) one-third of the total households re-  
2           ceiving allotments in the State; or

3           “(B) the minimum number of households  
4           needed to measure the effects of the demonstra-  
5           tion projects.

6           “(5) EVALUATIONS.—

7           “(A) IN GENERAL.—The Secretary shall  
8           provide, through contract or other means, for  
9           detailed, statistically valid evaluations to be  
10          conducted of each demonstration project carried  
11          out under this subsection.

12          “(B) MINIMUM REQUIREMENTS.—Each  
13          evaluation under subparagraph (A)—

14               “(i) shall include the study of control  
15               groups or areas; and

16               “(ii) shall analyze, at a minimum, the  
17               effects of the project design on—

18                       “(I) costs of the food stamp pro-  
19                       gram;

20                       “(II) State administrative costs;

21                       “(III) the integrity of the food  
22                       stamp program, including errors as  
23                       measured under section 16(c);

24                       “(IV) participation by households  
25                       in need of nutrition assistance; and

1 “(V) changes in allotment levels  
2 experienced by—

3 “(aa) households of various  
4 income levels;

5 “(bb) households with elder-  
6 ly, disabled, and employed mem-  
7 bers;

8 “(cc) households with high  
9 shelter costs relative to the in-  
10 comes of the households; and

11 “(dd) households receiving  
12 subsidized housing, child care, or  
13 health insurance.

14 “(C) FUNDING.—From funds made avail-  
15 able to carry out this Act, the Secretary shall  
16 reserve not more than \$6,000,000 to conduct  
17 evaluations under this paragraph.

18 “(6) REPORT TO CONGRESS.—Not later than  
19 January 1, 2006, the Secretary shall submit to Con-  
20 gress a report on the impact of the demonstration  
21 projects carried out under this subsection on the  
22 food stamp program, including the effectiveness of  
23 the demonstration projects in—

24 “(A) delivering nutrition assistance to  
25 households most at risk; and

1 “(B) reducing administrative burdens.”.

2 (b) CONFORMING AMENDMENT.—Section  
3 17(b)(1)(B)(iv)(III)(ii) of the Food Stamp Act of 1977 (7  
4 U.S.C. 2026(b)(1)(B)(iv)(III)(ii)) is amended by striking  
5 “paragraph” and inserting “section”.

6 **SEC. 444. CONSOLIDATED BLOCK GRANTS.**

7 (a) CONSOLIDATED FUNDING.—Section 19(a)(1) of  
8 the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)) is  
9 amended—

10 (1) in subparagraph (A)—

11 (A) by striking “the Commonwealth of  
12 Puerto Rico” and inserting “governmental enti-  
13 ties specified in subparagraph (D)”;

14 (B) in clause (ii), by striking “and” at the  
15 end; and

16 (C) by striking clause (iii) and all that fol-  
17 lows and inserting the following:

18 “(iii) for fiscal year 2002, \$1,356,000,000; and

19 “(iv) for each of fiscal years 2003 through  
20 2006, the amount provided in clause (iii), as ad-  
21 justed by the percentage by which the thrifty food  
22 plan has been adjusted under section 3(o)(4) be-  
23 tween June 30, 2001, and June 30 of the imme-  
24 diately preceding fiscal year;

1 to pay the expenditures for nutrition assistance programs  
 2 for needy persons as described in subparagraphs (B) and  
 3 (C).”;

4 (2) in subparagraph (B), by inserting “of Puer-  
 5 to Rico” after “Commonwealth” each place it ap-  
 6 pears; and

7 (3) by adding at the end the following:

8 “(C) AMERICAN SAMOA.—For each fiscal  
 9 year, the Secretary shall reserve 0.4 percent of  
 10 the funds made available under subparagraph  
 11 (A) for payment to American Samoa to pay the  
 12 expenditures for a nutrition assistance program  
 13 extended under section 601(c) of Public Law  
 14 96–597 (48 U.S.C. 1469d(c)).

15 “(D) GOVERNMENTAL ENTITY.—A govern-  
 16 mental entity specified in this subparagraph  
 17 is—

18 “(i) the Commonwealth of Puerto  
 19 Rico; and

20 “(ii) for fiscal year 2003 and each fis-  
 21 cal year thereafter, American Samoa.”.

22 (b) CONFORMING AMENDMENT.—Section 24 of the  
 23 Food Stamp Act of 1977 (7 U.S.C. 2033) is repealed.

24 (c) EFFECTIVE DATE.—The amendments made by  
 25 this section take effect on October 1, 2002.



1 **SEC. 445. EXPANDED AVAILABILITY OF COMMODITIES.**

2 Section 27(a) of the Food Stamp Act of 1977 (7  
3 U.S.C. 2036(a)) is amended—

4 (1) by striking “From amounts” and inserting  
5 the following:

6 “(1) IN GENERAL.—From amounts”;

7 (2) by striking “for each of fiscal years 1997  
8 through 2002, the Secretary shall purchase  
9 \$100,000,000 of” and inserting “the Secretary shall  
10 use the amount specified in paragraph (2) to pur-  
11 chase”; and

12 (3) by adding at the end the following:

13 “(2) AMOUNTS.—The amounts specified in this  
14 paragraph are—

15 “(A) for each of fiscal years 1997 through  
16 2001, \$100,000,000; and

17 “(B) for each of fiscal years 2002 through  
18 2006, \$140,000,000.”.

19 **Subtitle B—Miscellaneous**  
20 **Provisions**

21 **SEC. 451. REAUTHORIZATION OF COMMODITY PROGRAMS.**

22 (a) COMMODITY DISTRIBUTION PROGRAM.—Section  
23 4(a) of the Agriculture and Consumer Protection Act of  
24 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended  
25 in the first sentence by striking “2002” and inserting  
26 “2006”.

1 (b) COMMODITY SUPPLEMENTAL FOOD PROGRAM.—  
 2 Section 5 of the Agriculture and Consumer Protection Act  
 3 of 1973 (7 U.S.C. 612c note; Public Law 93–86) is  
 4 amended in subsections (a)(2) and (d)(2) by striking  
 5 “2002” each place it appears and inserting “2006”.

6 (c) DISTRIBUTION OF SURPLUS COMMODITIES TO  
 7 SPECIAL NUTRITION PROJECTS.—Section 1114(a)(2)(A)  
 8 of the Agriculture and Food Act of 1981 (7 U.S.C.  
 9 1431e(2)(A)) is amended in the first sentence by striking  
 10 “2002” and inserting “2006”.

11 (d) EMERGENCY FOOD ASSISTANCE.—Section  
 12 204(a)(1) of the Emergency Food Assistance Act of 1983  
 13 (7 U.S.C. 7508(a)(1)) is amended in the first sentence—  
 14 (1) by striking “2002” and inserting “2006”;  
 15 (2) by striking “administrative”; and  
 16 (3) by inserting “storage,” after “processing.”

17 **SEC. 452. WORK REQUIREMENT FOR LEGAL IMMIGRANTS.**

18 (a) WORKING IMMIGRANT FAMILIES.—Section  
 19 402(a)(2)(B)(ii)(I) of the Personal Responsibility and  
 20 Work Opportunity Reconciliation Act of 1996 (8 U.S.C.  
 21 1612(a)(2)(B)(ii)(I)) is amended by striking “40” and in-  
 22 serting “40 (or, in the case of the specified Federal pro-  
 23 gram described in paragraph (3)(B), 16)”.

24 (b) CONFORMING AMENDMENTS.—

1           (1) Section 213A(a)(3)(A) of the Immigration  
 2           and Nationality Act (8 U.S.C. 1183a(a)(3)(A)) is  
 3           amended by striking “40” and inserting “40 (or, in  
 4           the case of the specified Federal program described  
 5           in section 402(a)(3)(B) of the Personal Responsi-  
 6           bility and Work Opportunity Reconciliation Act of  
 7           1996 (8 U.S.C. 1612(a)(3)(B)), 16)”.

8           (2) Section 403(c)(2) of the Personal Responsi-  
 9           bility and Work Opportunity Reconciliation Act of  
 10          1996 (8 U.S.C. 1613(c)(2)) is amended by adding at  
 11          the end the following:

12                   “(L) Assistance or benefits under the Food  
 13                   Stamp Act of 1977 (7 U.S.C. 2011 et seq.).”.

14          (3) Section 421(b)(2)(A) of the Personal Re-  
 15          sponsibility and Work Opportunity Reconciliation  
 16          Act of 1996 (8 U.S.C. 1631(b)(2)(A)) is amended  
 17          by striking “40” and inserting “40 (or, in the case  
 18          of the specified Federal program described in section  
 19          402(a)(3)(B), 16)”.

20   **SEC. 453. QUALIFIED ALIENS.**

21          Section 402(a)(2) of the Personal Responsibility and  
 22          Work Opportunity Reconciliation Act of 1996 (8 U.S.C.  
 23          1612(a)(2)) is amended by adding at the end the fol-  
 24          lowing:

1           “(L) FOOD STAMP EXCEPTION FOR CER-  
 2           TAIN QUALIFIED ALIENS.—With respect to eli-  
 3           gibility for benefits for the specified Federal  
 4           program described in paragraph (3)(B), para-  
 5           graph (1) shall not apply to any individual who  
 6           has continuously resided in the United States  
 7           as a qualified alien for a period of 5 years or  
 8           more.”.

9   **SEC. 454. CONGRESSIONAL HUNGER FELLOWS PROGRAM.**

10       (a) SHORT TITLE.—This section may be cited as the  
 11       “Congressional Hunger Fellows Act of 2001”.

12       (b) FINDINGS.—Congress finds that—

13           (1) there are—

14               (A) a critical need for compassionate indi-  
 15               viduals who are committed to assisting people  
 16               who suffer from hunger; and

17               (B) a need for those individuals to initiate  
 18               and administer solutions to the hunger problem;

19           (2) Bill Emerson, the distinguished late Rep-  
 20           resentative from the 8th District of Missouri,  
 21           demonstrated—

22               (A) his commitment to solving the problem  
 23               of hunger in a bipartisan manner;

24               (B) his commitment to public service; and

1                   (C) his great affection for the institution  
2                   and the ideals of Congress;

3                   (3) George T. (Mickey) Leland, the distin-  
4                   guished late Representative from the 18th District  
5                   of Texas, demonstrated—

6                   (A) his compassion for individuals in need;

7                   (B) his high regard for public service; and

8                   (C) his lively exercise of political talents;

9                   (4) the special concern that Mr. Emerson and  
10                  Mr. Leland demonstrated during their lives for the  
11                  hungry and poor was an inspiration for others to  
12                  work toward the goals of equality and justice for all;  
13                  and

14                  (5) since those 2 outstanding leaders main-  
15                  tained a special bond of friendship regardless of po-  
16                  litical affiliation and worked together to encourage  
17                  future leaders to recognize and provide service to  
18                  others, it is especially appropriate to honor the mem-  
19                  ory of Mr. Emerson and Mr. Leland by establishing  
20                  a fellowship program to develop and train the future  
21                  leaders of the United States to pursue careers in hu-  
22                  manitarian service.

23                  (c) DEFINITIONS.—In this section:

1           (1) APPROPRIATE CONGRESSIONAL COMMIT-  
2       TEES.—The term “appropriate congressional com-  
3       mittees” means—

4           (A) the Committee on Agriculture and the  
5       Committee on International Relations of the  
6       House of Representatives; and

7           (B) the Committee on Agriculture, Nutri-  
8       tion, and Forestry and the Committee on For-  
9       eign Relations of the Senate.

10          (2) BOARD.—The term “Board” means the  
11       Board of Trustees of the Program.

12          (3) FUND.—The term “Fund” means the Con-  
13       gressional Hunger Fellows Trust Fund established  
14       by subsection (g).

15          (4) PROGRAM.—The term “Program” means  
16       the Congressional Hunger Fellows Program estab-  
17       lished by subsection (d).

18       (d) ESTABLISHMENT.—There is established as an  
19       independent entity of the legislative branch of the United  
20       States Government an entity to be known as the “Con-  
21       gressional Hunger Fellows Program”.

22       (e) BOARD OF TRUSTEES.—

23           (1) IN GENERAL.—The Program shall be sub-  
24       ject to the supervision and direction of a Board of  
25       Trustees.

1           (2) MEMBERS OF THE BOARD.—

2                   (A) APPOINTMENT.—

3                       (i) IN GENERAL.—The Board shall be  
4                       composed of 6 voting members appointed  
5                       under clause (ii) and 1 nonvoting ex-officio  
6                       member designated by clause (iii).

7                       (ii) VOTING MEMBERS.—The voting  
8                       members of the Board shall be the fol-  
9                       lowing:

10                       (I) 2 members appointed by the  
11                       Speaker of the House of Representa-  
12                       tives.

13                       (II) 1 member appointed by the  
14                       minority leader of the House of Rep-  
15                       resentatives.

16                       (III) 2 members appointed by the  
17                       majority leader of the Senate.

18                       (IV) 1 member appointed by the  
19                       minority leader of the Senate.

20                       (iii) NONVOTING MEMBER.—The Ex-  
21                       ecutive Director of the Program shall serve  
22                       as a nonvoting ex-officio member of the  
23                       Board.

24                       (B) TERMS.—

1 (i) IN GENERAL.—Each member of  
 2 the Board shall serve for a term of 4  
 3 years.

4 (ii) INCOMPLETE TERM.—If a member  
 5 of the Board does not serve the full term  
 6 of the member, the individual appointed to  
 7 fill the resulting vacancy shall be appointed  
 8 for the remainder of the term of the prede-  
 9 cessor of the individual.

10 (C) VACANCY.—A vacancy on the Board—

11 (i) shall not affect the powers of the  
 12 Board; and

13 (ii) shall be filled in the same manner  
 14 as the original appointment was made.

15 (D) CHAIRPERSON.—As the first order of  
 16 business of the first meeting of the Board, the  
 17 members shall elect a Chairperson.

18 (E) COMPENSATION.—

19 (i) IN GENERAL.—Subject to clause  
 20 (ii), a member of the Board shall not re-  
 21 ceive compensation for service on the  
 22 Board.

23 (ii) TRAVEL.—A member of the  
 24 Board shall be allowed travel expenses, in-  
 25 cluding per diem in lieu of subsistence, at



1 rates authorized for an employee of an  
2 agency under subchapter I of chapter 57 of  
3 title 5, United States Code, while away  
4 from the home or regular place of business  
5 of the member in the performance of the  
6 duties of the Board.

7 (3) DUTIES.—

8 (A) BYLAWS.—

9 (i) ESTABLISHMENT.—The Board  
10 shall establish such bylaws and other regu-  
11 lations as are appropriate to enable the  
12 Board to carry out this section, including  
13 the duties described in this paragraph.

14 (ii) CONTENTS.—Bylaws and other  
15 regulations established under clause (i)  
16 shall include provisions—

17 (I) for appropriate fiscal control,  
18 accountability for funds, and oper-  
19 ating principles;

20 (II) to prevent any conflict of in-  
21 terest, or the appearance of any con-  
22 flict of interest, in—

23 (aa) the procurement and  
24 employment actions taken by the

1 Board or by any officer or em-  
2 ployee of the Board; and

3 (bb) the selection and place-  
4 ment of individuals in the fellow-  
5 ships developed under the Pro-  
6 gram;

7 (III) for the resolution of a tie  
8 vote of the members of the Board;  
9 and

10 (IV) for authorization of travel  
11 for members of the Board.

12 (iii) SUBMISSION TO CONGRESS.—Not  
13 later than 90 days after the date of the  
14 first meeting of the Board, the Chair-  
15 person of the Board shall submit to the ap-  
16 propriate congressional committees a copy  
17 of the bylaws established by the Board.

18 (B) BUDGET.—For each fiscal year in  
19 which the Program is in operation—

20 (i) the Board shall determine a budget  
21 for the Program for the fiscal year; and

22 (ii) all spending by the Program shall  
23 be in accordance with the budget unless a  
24 change is approved by the Board.

1 (C) PROCESS FOR SELECTION AND PLACE-  
 2 MENT OF FELLOWS.—The Board shall review  
 3 and approve the process established by the Ex-  
 4 ecutive Director for the selection and placement  
 5 of individuals in the fellowships developed under  
 6 the Program.

7 (D) ALLOCATION OF FUNDS TO FELLOW-  
 8 SHIPS.—The Board shall determine—

9 (i) the priority of the programs to be  
 10 carried out under this section; and

11 (ii) the amount of funds to be allo-  
 12 cated for the fellowships established under  
 13 subsection (f)(3)(A).

14 (f) PURPOSES; AUTHORITY OF PROGRAM.—

15 (1) PURPOSES.—The purposes of the Program  
 16 are—

17 (A) to encourage future leaders of the  
 18 United States to pursue careers in humani-  
 19 tarian service;

20 (B) to recognize the needs of people who  
 21 are hungry and poor;

22 (C) to provide assistance and compassion  
 23 for people in need;

24 (D) to increase awareness of the impor-  
 25 tance of public service; and

1           (E) to provide training and development  
2           opportunities for the leaders through placement  
3           in programs operated by appropriate entities.

4           (2) AUTHORITY.—The Program may develop  
5           fellowships to carry out the purposes of the Pro-  
6           gram, including the fellowships described in para-  
7           graph (3).

8           (3) FELLOWSHIPS.—

9           (A) IN GENERAL.—The Program shall es-  
10          tablish and carry out the Bill Emerson Hunger  
11          Fellowship and the Mickey Leland Hunger Fel-  
12          lowship.

13          (B) CURRICULUM.—

14               (i) IN GENERAL.—The fellowships es-  
15          tablished under subparagraph (A) shall  
16          provide experience and training to develop  
17          the skills and understanding necessary to  
18          improve the humanitarian conditions and  
19          the lives of individuals who suffer from  
20          hunger, including—

21                       (I) training in direct service to  
22                       the hungry in conjunction with com-  
23                       munity-based organizations through a  
24                       program of field placement; and

1 (II) experience in policy develop-  
2 ment through placement in a govern-  
3 mental entity or nonprofit organiza-  
4 tion.

5 (ii) FOCUS.—

6 (I) BILL EMERSON HUNGER FEL-  
7 LOWSHIP.—The Bill Emerson Hunger  
8 Fellowship shall address hunger and  
9 other humanitarian needs in the  
10 United States.

11 (II) MICKEY LELAND HUNGER  
12 FELLOWSHIP.—The Mickey Leland  
13 Hunger Fellowship shall address  
14 international hunger and other hu-  
15 manitarian needs.

16 (iii) WORK PLAN.—To carry out  
17 clause (i) and to assist in the evaluation of  
18 the fellowships under paragraph (4), the  
19 Program shall, for each fellow, approve a  
20 work plan that identifies the target objec-  
21 tives for the fellow in the fellowship, in-  
22 cluding the specific duties and responsibil-  
23 ities relating to the objectives.

24 (C) PERIOD OF FELLOWSHIP.—

1 (i) EMERSON FELLOWSHIP.—A Bill  
 2 Emerson Hunger Fellowship awarded  
 3 under this paragraph shall be for a period  
 4 of not more than 1 year.

5 (ii) LELAND FELLOWSHIP.—A Mickey  
 6 Leland Hunger Fellowship awarded under  
 7 this paragraph shall be for a period of not  
 8 more than 2 years, of which not less than  
 9 1 year shall be dedicated to fulfilling the  
 10 requirement of subparagraph (B)(i)(I).

11 (D) SELECTION OF FELLOWS.—

12 (i) IN GENERAL.—A fellowship shall  
 13 be awarded through a nationwide competi-  
 14 tion established by the Program.

15 (ii) QUALIFICATION.—A successful  
 16 applicant shall be an individual who has  
 17 demonstrated—

18 (I) an intent to pursue a career  
 19 in humanitarian service and out-  
 20 standing potential for such a career;

21 (II) leadership potential or lead-  
 22 ership experience;

23 (III) diverse life experience;

24 (IV) proficient writing and  
 25 speaking skills;

1 (V) an ability to live in poor or  
2 diverse communities; and

3 (VI) such other attributes as the  
4 Board determines to be appropriate.

5 (iii) AMOUNT OF AWARD.—

6 (I) IN GENERAL.—Each indi-  
7 vidual awarded a fellowship under this  
8 paragraph shall receive a living allow-  
9 ance and, subject to subclause (II), an  
10 end-of-service award as determined by  
11 the Program.

12 (II) REQUIREMENT FOR SUC-  
13 CESSFUL COMPLETION OF FELLOW-  
14 SHIP.—Each individual awarded a fel-  
15 lowship under this paragraph shall be  
16 entitled to receive an end-of-service  
17 award at an appropriate rate for each  
18 month of satisfactory service as deter-  
19 mined by the Executive Director.

20 (iv) RECOGNITION OF FELLOWSHIP  
21 AWARD.—

22 (I) EMERSON FELLOW.—An indi-  
23 vidual awarded a Bill Emerson Hun-  
24 ger Fellowship shall be known as an  
25 “Emerson Fellow”.

1 (II) LELAND FELLOW.—An indi-  
 2 vidual awarded a Mickey Leland Hun-  
 3 ger Fellowship shall be known as a  
 4 “Leland Fellow”.

5 (4) EVALUATIONS.—

6 (A) IN GENERAL.—The Program shall con-  
 7 duct periodic evaluations of the Bill Emerson  
 8 and Mickey Leland Hunger Fellowships.

9 (B) REQUIRED ELEMENTS.—Each evalua-  
 10 tion shall include—

11 (i) an assessment of the successful  
 12 completion of the work plan of each fellow;

13 (ii) an assessment of the impact of  
 14 the fellowship on the fellows;

15 (iii) an assessment of the accomplish-  
 16 ment of the purposes of the Program; and

17 (iv) an assessment of the impact of  
 18 each fellow on the community.

19 (g) TRUST FUND.—

20 (1) ESTABLISHMENT.—There is established in  
 21 the Treasury of the United States a fund to be  
 22 known as the “Congressional Hunger Fellows Trust  
 23 Fund”, consisting of—

24 (A) amounts appropriated to the Fund  
 25 under subsection (k);



1 (B) any amounts earned on investment of  
2 amounts in the Fund under paragraph (2); and

3 (C) amounts received under subsection  
4 (i)(3)(A).

5 (2) INVESTMENT OF AMOUNTS.—

6 (A) IN GENERAL.—

7 (i) AUTHORITY TO INVEST.—The Sec-  
8 retary of the Treasury shall invest such  
9 portion of the Fund as is not, in the judg-  
10 ment of the Secretary of the Treasury, re-  
11 quired to meet current withdrawals.

12 (ii) TYPES OF INVESTMENTS.—Each  
13 investment may be made only in an inter-  
14 est-bearing obligation of the United States  
15 or an obligation guaranteed as to principal  
16 and interest by the United States that, as  
17 determined by the Secretary of the Treas-  
18 ury in consultation with the Board, has a  
19 maturity suitable for the Fund.

20 (B) ACQUISITION OF OBLIGATIONS.—For  
21 the purpose of investments under subparagraph  
22 (A), obligations may be acquired—

23 (i) on original issue at the issue price;  
24 or

1 (ii) by purchase of outstanding obliga-  
 2 tions at the market price.

3 (C) SALE OF OBLIGATIONS.—Any obliga-  
 4 tion acquired by the Fund may be sold by the  
 5 Secretary of the Treasury at the market price.

6 (D) CREDITS TO FUND.—The interest on,  
 7 and the proceeds from the sale or redemption  
 8 of, any obligations held in the Fund shall be  
 9 credited to and form a part of the Fund.

10 (3) TRANSFERS OF AMOUNTS.—

11 (A) IN GENERAL.—The amounts required  
 12 to be transferred to the Fund under this sub-  
 13 section shall be transferred at least monthly  
 14 from the general fund of the Treasury to the  
 15 Fund on the basis of estimates made by the  
 16 Secretary of the Treasury.

17 (B) ADJUSTMENTS.—Proper adjustment  
 18 shall be made in amounts subsequently trans-  
 19 ferred to the extent prior estimates were in ex-  
 20 cess of or less than the amounts required to be  
 21 transferred.

22 (h) EXPENDITURES; AUDITS.—

23 (1) IN GENERAL.—The Secretary of the Treas-  
 24 ury shall transfer to the Program from the amounts  
 25 described in subsections (g)(2)(D) and (i)(3)(A)

1       such sums as the Board determines to be necessary  
2       to enable the Program to carry out this section.

3           (2) LIMITATION.—The Secretary may not  
4       transfer to the Program the amounts appropriated  
5       to the Fund under subsection (k).

6           (3) USE OF FUNDS.—Funds transferred to the  
7       Program under paragraph (1) shall be used—

8           (A) to provide a living allowance for the  
9       fellows;

10          (B) to defray the costs of transportation of  
11       the fellows to the fellowship placement sites;

12          (C) to defray the costs of appropriate in-  
13       surance of the fellows, the Program, and the  
14       Board;

15          (D) to defray the costs of preservice and  
16       midservice education and training of fellows;

17          (E) to pay staff described in subsection (i);

18          (F) to make end-of-service awards under  
19       subsection (f)(3)(D)(iii)(II); and

20          (G) for such other purposes as the Board  
21       determines to be appropriate to carry out the  
22       Program.

23       (4) AUDIT BY COMPTROLLER GENERAL.—

1 (A) IN GENERAL.—The Comptroller Gen-  
2 eral of the United States shall conduct an an-  
3 nual audit of the accounts of the Program.

4 (B) BOOKS.—The Program shall make  
5 available to the Comptroller General all books,  
6 accounts, financial records, reports, files, and  
7 other papers, things, or property belonging to  
8 or in use by the Program and necessary to fa-  
9 cilitate the audit.

10 (C) REPORT TO CONGRESS.—The Comp-  
11 troller General shall submit to the appropriate  
12 congressional committees a copy of the results  
13 of each audit under subparagraph (A).

14 (i) STAFF; POWERS OF PROGRAM.—

15 (1) EXECUTIVE DIRECTOR.—

16 (A) IN GENERAL.—The Board shall ap-  
17 point an Executive Director of the Program  
18 who shall—

19 (i) administer the Program; and

20 (ii) carry out such other functions  
21 consistent with this section as the Board  
22 shall prescribe.

23 (B) RESTRICTION.—The Executive Direc-  
24 tor may not serve as Chairperson of the Board.

1 (C) COMPENSATION.—The Executive Di-  
2 rector shall be paid at a rate not to exceed the  
3 rate payable for level V of the Executive Sched-  
4 ule under section 5316 of title 5, United States  
5 Code.

6 (2) STAFF.—

7 (A) IN GENERAL.—With the approval of a  
8 majority of the Board, the Executive Director  
9 may appoint and fix the pay of such additional  
10 personnel as the Executive Director considers  
11 necessary to carry out this section.

12 (B) COMPENSATION.—An individual ap-  
13 pointed under subparagraph (A) shall be paid  
14 at a rate not to exceed the rate payable for level  
15 GS–15 of the General Schedule.

16 (3) POWERS.—

17 (A) GIFTS.—

18 (i) IN GENERAL.—The Program may  
19 solicit, accept, use, and dispose of gifts, be-  
20 quests, or devises of services or property,  
21 both real and personal, for the purpose of  
22 aiding or facilitating the work of the Pro-  
23 gram.

24 (ii) USE OF GIFTS.—Gifts, bequests,  
25 or devises of money and proceeds from

1 sales of other property received as gifts,  
2 bequests, or devises shall—

3 (I) be deposited in the Fund; and

4 (II) be available for disbursement  
5 on order of the Board.

6 (B) PROCUREMENT OF TEMPORARY AND  
7 INTERMITTENT SERVICES.—To carry out this  
8 section, the Program may procure temporary  
9 and intermittent services in accordance with  
10 section 3109(b) of title 5, United States Code,  
11 at rates for individuals that do not exceed the  
12 daily equivalent of the annual rate of basic pay  
13 payable for level GS–15 of the General Sched-  
14 ule.

15 (C) CONTRACT AUTHORITY.—To carry out  
16 this section, the Program may, with the ap-  
17 proval of a majority of the members of the  
18 Board, contract with and compensate Govern-  
19 ment and private agencies or persons without  
20 regard to section 3709 of the Revised Statutes  
21 (41 U.S.C. 5).

22 (D) OTHER NECESSARY EXPENDITURES.—

23 (i) IN GENERAL.—Subject to clause  
24 (ii), the Program may make such other ex-

1                   penditures as the Program considers nec-  
2                   essary to carry out this section.

3                   (ii) PROHIBITION.—The Program may  
4                   not expend funds to develop new or ex-  
5                   panded projects at which fellows may be  
6                   placed.

7           (j) REPORT.—Not later than December 31 of each  
8 year, the Board shall submit to the appropriate congres-  
9 sional committees a report on the activities of the Program  
10 carried out during the preceding fiscal year that  
11 includes—

12               (1) an analysis of the evaluations conducted  
13               under subsection (f)(4) during the fiscal year; and

14               (2) a statement of—

15                   (A) the total amount of funds attributable  
16                   to gifts received by the Program in the fiscal  
17                   year under subsection (i)(3)(A); and

18                   (B) the total amount of funds described in  
19                   subparagraph (A) that were expended to carry  
20                   out the Program in the fiscal year.

21           (k) AUTHORIZATION OF APPROPRIATIONS.—There is  
22 authorized to be appropriated to carry out this section  
23 \$18,000,000.

24           (l) EFFECTIVE DATE.—This section takes effect on  
25 October 1, 2002.

1 **SEC. 455. EFFECTIVE DATE.**

2 Except as otherwise provided in this title, the amend-  
 3 ments made by this title take effect on July 1, 2002, ex-  
 4 cept that a State agency may, at the option of the State  
 5 agency, elect not to implement the amendments until Oc-  
 6 tober 1, 2002.

7 **TITLE V—CREDIT**

8 **Subtitle A—Farm Ownership Loans**

9 **SEC. 501. DIRECT LOANS.**

10 Section 302(b)(1) of the Consolidated Farm and  
 11 Rural Development Act (7 U.S.C. 1922(b)(1)) is amended  
 12 by striking “operated” and inserting “participated in the  
 13 business operations of”.

14 **SEC. 502. FINANCING OF BRIDGE LOANS.**

15 Section 303(a)(1) of the Consolidated Farm and  
 16 Rural Development Act (7 U.S.C. 1923(a)(1)) is  
 17 amended—

18 (1) in subparagraph (C), by striking “or” at  
 19 the end;

20 (2) in subparagraph (D), by striking the period  
 21 at the end and inserting “; or”; and

22 (3) by adding at the end the following:

23 “(E) refinancing, during a fiscal year, a  
 24 short-term, temporary bridge loan made by a  
 25 commercial or cooperative lender to a beginning



1 farmer or rancher for the acquisition of land for  
2 a farm or ranch, if—

3 “(i) the Secretary approved an appli-  
4 cation for a direct farm ownership loan to  
5 the beginning farmer or rancher for acqui-  
6 sition of the land; and

7 “(ii) funds for direct farm ownership  
8 loans under section 346(b) were not avail-  
9 able at the time at which the application  
10 was approved.”.

11 **SEC. 503. LIMITATIONS ON AMOUNT OF FARM OWNERSHIP**  
12 **LOANS.**

13 Section 305 of the Consolidated Farm and Rural De-  
14 velopment Act (7 U.S.C. 1925) is amended by striking  
15 subsection (a) and inserting the following:

16 “(a) IN GENERAL.—The Secretary shall not make or  
17 insure a loan under section 302, 303, 304, 310D, or 310E  
18 that would cause the unpaid indebtedness under those sec-  
19 tions of any 1 borrower to exceed the lesser of—

20 “(1) the value of the farm or other security; or

21 “(2)(A) in the case of a loan made by the  
22 Secretary—

23 “(i) to a beginning farmer or rancher,  
24 \$250,000, as adjusted (beginning with fiscal  
25 year 2003) by the inflation percentage applica-

1 ble to the fiscal year in which the loan is made;  
 2 or

3 “(ii) to a borrower other than a beginning  
 4 farmer or rancher, \$200,000; or

5 “(B) in the case of a loan guaranteed by the  
 6 Secretary, \$700,000, as—

7 “(i) adjusted (beginning with fiscal year  
 8 2000) by the inflation percentage applicable to  
 9 the fiscal year in which the loan is guaranteed;  
 10 and

11 “(ii) reduced by the amount of any unpaid  
 12 indebtedness of the borrower on loans under  
 13 subtitle B that are guaranteed by the Sec-  
 14 retary.”.

15 **SEC. 504. JOINT FINANCING ARRANGEMENTS.**

16 Section 307(a)(3)(D) of the Consolidated Farm and  
 17 Rural Development Act (7 U.S.C. 1927(a)(3)(D)) is  
 18 amended—

19 (1) by striking “If” and inserting the following:

20 “(i) IN GENERAL.—Subject to clause  
 21 (ii), if”; and

22 (2) by adding at the end the following:

23 “(ii) BEGINNING FARMERS AND  
 24 RANCHERS.—The interest rate charged a  
 25 beginning farmer or rancher for a loan de-

1                   scribed in clause (i) shall be 50 basis  
 2                   points less than the rate charged farmers  
 3                   and ranchers that are not beginning farm-  
 4                   ers or ranchers.”.

5 **SEC. 505. GUARANTEE PERCENTAGE FOR BEGINNING**  
 6 **FARMERS AND RANCHERS.**

7           Section 309(h)(6) of the Consolidated Farm and  
 8 Rural Development Act (7 U.S.C. 1929(h)(6)) is amended  
 9 by striking “GUARANTEED UP” and all that follows  
 10 through “more than” and inserting “GUARANTEED AT 95  
 11 PERCENT.—The Secretary shall guarantee”.

12 **SEC. 506. GUARANTEE OF LOANS MADE UNDER STATE BE-**  
 13 **GINNING FARMER OR RANCHER PROGRAMS.**

14           Section 309 of the Consolidated Farm and Rural De-  
 15 velopment Act (7 U.S.C. 1929) is amended by adding at  
 16 the end the following:

17           “(j) GUARANTEE OF LOANS MADE UNDER STATE  
 18 BEGINNING FARMER OR RANCHER PROGRAMS.—The Sec-  
 19 retary may guarantee under this title a loan made under  
 20 a State beginning farmer or rancher program, including  
 21 a loan financed by the net proceeds of a qualified small  
 22 issue agricultural bond for land or property described in  
 23 section 144(a)(12)(B)(ii) of the Internal Revenue Code of  
 24 1986.”.

1 **SEC. 507. DOWN PAYMENT LOAN PROGRAM.**

2 Section 310E of the Consolidated Farm and Rural  
3 Development Act (7 U.S.C. 1935) is amended—

4 (1) in subsection (b)—

5 (A) in paragraph (1), by striking “30 per-  
6 cent” and inserting “40 percent”; and

7 (B) in paragraph (3), by striking “10  
8 years” and inserting “20 years”; and

9 (2) in subsection (c)(3)(B), by striking “10-  
10 year” and inserting “20-year”.

11 **SEC. 508. BEGINNING FARMER AND RANCHER CONTRACT**  
12 **LAND SALES PROGRAM.**

13 (a) IN GENERAL.—Subtitle A of the Consolidated  
14 Farm and Rural Development Act (7 U.S.C. 1922 et seq.)  
15 is amended by adding at the end the following:

16 **“SEC. 310F. BEGINNING FARMER AND RANCHER CONTRACT**  
17 **LAND SALES PROGRAM.**

18 “Not later than October 1, 2002, the Secretary may  
19 initiate a pilot program in not fewer than 10 geographi-  
20 cally dispersed States, as determined by the Secretary, to  
21 guarantee up to 5 loans per State in each of fiscal years  
22 2003 through 2006 made by a private seller of a farm  
23 or ranch to a qualified beginning farmer or rancher on  
24 a contract land sale basis, if the loan meets applicable un-  
25 derwriting criteria and a commercial lending institution  
26 agrees to serve as escrow agent.”.

1 (b) REGULATIONS.—The promulgation of the regula-  
 2 tions and administration of the amendment made by sub-  
 3 section (a) shall be made without regard to—

4 (1) the notice and comment provisions of sec-  
 5 tion 553 of title 5, United States Code;

6 (2) the Statement of Policy of the Secretary of  
 7 Agriculture effective July 24, 1971 (36 Fed. Reg.  
 8 13804), relating to notices of proposed rulemaking  
 9 and public participation in rulemaking; and

10 (3) chapter 35 of title 44, United States Code  
 11 (commonly known as the “Paperwork Reduction  
 12 Act”).

## 13 **Subtitle B—Operating Loans**

### 14 **SEC. 511. DIRECT LOANS.**

15 Section 311(c)(1)(A) of the Consolidated Farm and  
 16 Rural Development Act (7 U.S.C. 1941(c)(1)(A)) is  
 17 amended by striking “who has not” and all that follows  
 18 through “5 years”.

### 19 **SEC. 512. LOANS FOR TRIBAL FARM OPERATIONS.**

20 (a) GUARANTEE AMOUNT.—Section 309(h) of the  
 21 Consolidated Farm and Rural Development Act (7 U.S.C.  
 22 1929(h)) is amended—

23 (1) in paragraph (4), by striking “paragraphs  
 24 (5) and (6)” and inserting “paragraphs (5), (6), and  
 25 (7)”; and

1 (2) by adding at the end the following:

2 “(7) AMOUNT OF GUARANTEE OF LOANS FOR  
3 TRIBAL OPERATIONS.—In the case of an operating  
4 loan made to a Native American farmer or rancher  
5 whose farm or ranch is within an Indian reservation  
6 (as defined in section 335(e)(1)(A)(ii)), the Sec-  
7 retary shall guarantee 95 percent of the loan.”.

8 (b) WAIVER OF LIMITATIONS.—Section 311(c) of the  
9 Consolidated Farm and Rural Development Act (7 U.S.C.  
10 1941(c)) is amended—

11 (1) in paragraph (1), by striking “paragraph  
12 (3)” and inserting “paragraphs (3) and (4)”; and

13 (2) by adding at the end the following:

14 “(4) WAIVER FOR LOANS FOR TRIBAL OPER-  
15 ATIONS.—The Secretary shall waive the limitation  
16 under paragraph (1)(C) for a direct loan made  
17 under this subtitle to a Native American farmer or  
18 rancher whose farm or ranch is within an Indian  
19 reservation (as defined in section 335(e)(1)(A)(ii)) if  
20 the Secretary determines that commercial credit is  
21 not generally available for such farm or ranch oper-  
22 ations.”.

23 **SEC. 513. REFINANCING OF OTHER DEBT.**

24 Section 312(a)(9)(B)(ii) of the Consolidated Farm  
25 and Rural Development Act (7 U.S.C. 1942(a)(9)(B)(ii))

1 is amended by striking “debt” and inserting “nondelin-  
 2 quent debt”.

## 3                   **Subtitle C—Administrative** 4                   **Provisions**

### 5   **SEC. 521. ELIGIBILITY OF LIMITED LIABILITY COMPANIES** 6                   **FOR FARM OWNERSHIP LOANS, FARM OPER-** 7                   **ATING LOANS, AND EMERGENCY LOANS.**

8           (a) IN GENERAL.—Sections 302(a), 311(a), and  
 9 321(a) of the Consolidated Farm and Rural Development  
 10 Act (7 U.S.C. 1922(a), 1941(a), 1961(a)) are amended  
 11 by striking “and joint operations” each place it appears  
 12 and inserting “joint operations, and limited liability com-  
 13 panies”.

14          (b) CONFORMING AMENDMENT.—Section 321(a) of  
 15 the Consolidated Farm and Rural Development Act (7  
 16 U.S.C. 1961(a)) is amended by striking “or joint oper-  
 17 ations” each place it appears and inserting “joint oper-  
 18 ations, or limited liability companies”.

### 19   **SEC. 522. DEBT SETTLEMENT.**

20          Section 331(b)(4) of the Consolidated Farm and  
 21 Rural Development Act (7 U.S.C. 1981(b)(4)) is amended  
 22 by striking “carried out—” and all that follows through  
 23 “(B) after” and inserting “carried out after”.

1 **SEC. 523. TEMPORARY AUTHORITY TO ENTER INTO CON-**  
 2 **TRACTS; PRIVATE COLLECTION AGENCIES.**

3 (a) IN GENERAL.—Section 331 of the Consolidated  
 4 Farm and Rural Development Act (7 U.S.C. 1981) is  
 5 amended by striking subsections (d) and (e).

6 (b) APPLICATION.—The amendment made by sub-  
 7 section (a) shall not apply to a contract entered into before  
 8 the effective date of this Act.

9 **SEC. 524. INTEREST RATE OPTIONS FOR LOANS IN SERV-**  
 10 **ICING.**

11 Section 331B of the Consolidated Farm and Rural  
 12 Development Act (7 U.S.C. 1981b) is amended—

13 (1) by striking “lower of (1) the” and inserting  
 14 the following: “lowest of—

15 “(1) the”; and

16 (2) by striking “original loan or (2) the” and  
 17 inserting the following: “original loan;

18 “(2) the rate being charged by the Secretary  
 19 for loans, other than guaranteed loans, of the same  
 20 type at the time at which the borrower applies for  
 21 a deferral, consolidation, rescheduling, or re-  
 22 amortization; or

23 “(3) the”.



1 **SEC. 525. ANNUAL REVIEW OF BORROWERS.**

2 Section 333 of the Consolidated Farm and Rural De-  
3 velopment Act (7 U.S.C. 1983) is amended by striking  
4 paragraph (2) and inserting the following:

5 “(2) except with respect to a loan under section  
6 306, 310B, or 314—

7 “(A) an annual review of the credit history  
8 and business operation of the borrower; and

9 “(B) an annual review of the continued eli-  
10 gibility of the borrower for the loan;”.

11 **SEC. 526. SIMPLIFIED LOAN APPLICATIONS.**

12 Section 333A(g)(1) of the Consolidated Farm and  
13 Rural Development Act (7 U.S.C. 1983a(g)(1)) is amend-  
14 ed by striking “of loans the principal amount of which  
15 is \$50,000 or less” and inserting “of farmer program  
16 loans the principal amount of which is \$100,000 or less”.

17 **SEC. 527. INVENTORY PROPERTY.**

18 Section 335(c) of the Consolidated Farm and Rural  
19 Development Act (7 U.S.C. 1985(c)) is amended—

20 (1) in paragraph (1)—

21 (A) in subparagraph (B)—

22 (i) in clause (i), by striking “75 days”  
23 and inserting “135 days”; and

24 (ii) by adding at the end the fol-  
25 lowing:

1                   “(iv) COMBINING AND DIVIDING OF  
2                   PROPERTY.—To the maximum extent prac-  
3                   ticable, the Secretary shall maximize the  
4                   opportunity for beginning farmers and  
5                   ranchers to purchase real property ac-  
6                   quired by the Secretary under this title by  
7                   combining or dividing inventory parcels of  
8                   the property in such manner as the Sec-  
9                   retary determines to be appropriate.”; and  
10                  (B) in subparagraph (C)—

11                   (i) by striking “75 days” and insert-  
12                   ing “135 days”; and

13                   (ii) by striking “75-day period” and  
14                   inserting “135-day period”;

15                  (2) by striking paragraph (2) and inserting the  
16                  following:

17                   “(2) PREVIOUS LEASE.—In the case of real  
18                   property acquired before April 4, 1996, that the Sec-  
19                   retary leased before April 4, 1996, not later than 60  
20                   days after the lease expires, the Secretary shall offer  
21                   to sell the property in accordance with paragraph  
22                   (1).”; and

23                  (3) in paragraph (3)—

(A) in subparagraph (A), by striking “subparagraph (B)” and inserting “subparagraphs (B) and (C)”; and

(B) by adding at the end the following:

“(C) OFFER TO SELL OR GRANT FOR FARMLAND PRESERVATION.—For the purpose of farmland preservation, the Secretary shall offer to sell or grant an easement, restriction, development right, or similar legal right to real property to a State, a political subdivision of a State, or a private nonprofit organization separately from the underlying fee or other rights to the property owned by the United States.”.

**SEC. 528. DEFINITIONS.**

(a) QUALIFIED BEGINNING FARMER OR RANCHER.—

Section 343(a)(11)(F) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(11)(F)) is amended by striking “25 percent” and inserting “30 percent”.

(b) DEBT FORGIVENESS.—Section 343(a)(12) of the

Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(12)) is amended by striking subparagraph (B) and inserting the following:

“(B) EXCEPTIONS.—The term ‘debt forgiveness’ does not include—

1 “(i) consolidation, rescheduling, re-  
2 amortization, or deferral of a loan; or

3 “(ii) any write-down provided as part  
4 of a resolution of a discrimination com-  
5 plaint against the Secretary.”.

6 **SEC. 529. LOAN AUTHORIZATION LEVELS.**

7 Section 346 of the Consolidated Farm and Rural De-  
8 velopment Act (7 U.S.C. 1994) is amended—

9 (1) in subsection (b)—

10 (A) by striking paragraph (1) and insert-  
11 ing the following:

12 “(1) IN GENERAL.—The Secretary may make  
13 or guarantee loans under subtitles A and B from the  
14 Agricultural Credit Insurance Fund provided for in  
15 section 309 for not more than \$3,750,000,000 for  
16 each of fiscal years 2002 through 2006, of which,  
17 for each fiscal year—

18 “(A) \$750,000,000 shall be for direct  
19 loans, of which—

20 “(i) \$200,000,000 shall be for farm  
21 ownership loans under subtitle A; and

22 “(ii) \$550,000,000 shall be for oper-  
23 ating loans under subtitle B; and

24 “(B) \$3,000,000,000 shall be for guaran-  
25 teed loans, of which—

1 “(i) \$1,000,000,000 shall be for guar-  
 2 antees of farm ownership loans under sub-  
 3 title A; and

4 “(ii) \$2,000,000,000 shall be for  
 5 guarantees of operating loans under sub-  
 6 title B.”; and

7 (B) in paragraph (2)(A)(ii), by striking  
 8 “farmers and ranchers” and all that follows  
 9 and inserting “farmers and ranchers 35 percent  
 10 for each of fiscal years 2002 through 2006.”;  
 11 and

12 (2) in subsection (c), by striking the last sen-  
 13 tence.

14 **SEC. 530. INTEREST RATE REDUCTION PROGRAM.**

15 Section 351 of the Consolidated Farm and Rural De-  
 16 velopment Act (7 U.S.C. 1999) is amended—

17 (1) in subsection (a)—

18 (A) by striking “PROGRAM.—” and all that  
 19 follows through “The Secretary” and inserting  
 20 “PROGRAM.—The Secretary”; and

21 (B) by striking paragraph (2);

22 (2) by striking subsection (c) and inserting the  
 23 following:

24 “(c) AMOUNT OF INTEREST RATE REDUCTION.—

1           “(1) IN GENERAL.—In return for a contract en-  
 2           tered into by a lender under subsection (b) for the  
 3           reduction of the interest rate paid on a loan, the  
 4           Secretary shall make payments to the lender in an  
 5           amount equal to not more than 100 percent of the  
 6           cost of reducing the annual rate of interest payable  
 7           on the loan, except that such payments shall not ex-  
 8           ceed the cost of reducing the rate by more than—

9                   “(A) in the case of a borrower other than  
 10                  a beginning farmer or rancher, 3 percent; and

11                  “(B) in the case of a beginning farmer or  
 12                  rancher, 4 percent.

13           “(2) BEGINNING FARMERS AND RANCHERS.—  
 14           The percentage reduction of the interest rate for  
 15           which payments are authorized to be made for a be-  
 16           ginning farmer or rancher under paragraph (1) shall  
 17           be 1 percent more than the percentage reduction for  
 18           farmers and ranchers that are not beginning farmers  
 19           or ranchers.”; and

20                  (3) in subsection (e), by striking paragraph (2)  
 21           and inserting the following:

22                  “(2) MAXIMUM AMOUNT OF FUNDS.—

23                   “(A) IN GENERAL.—The total amount of  
 24                  funds used by the Secretary to carry out this  
 25                  section shall not exceed \$750,000,000.

1                   “(B) BEGINNING FARMERS AND RANCH-  
2                   ERS.—

3                   “(i) IN GENERAL.—The Secretary  
4                   shall reserve not less than 25 percent of  
5                   the funds used by the Secretary under sub-  
6                   paragraph (A) to make payments for guar-  
7                   anteed loans made to beginning farmers  
8                   and ranchers.

9                   “(ii) DURATION OF RESERVATION OF  
10                  FUNDS.—Funds reserved for beginning  
11                  farmers or ranchers under clause (i) for a  
12                  fiscal year shall be reserved only until  
13                  April 1 of the fiscal year.”.

14   **SEC. 531. OPTIONS FOR SATISFACTION OF OBLIGATION TO**  
15                   **PAY RECAPTURE AMOUNT FOR SHARED AP-**  
16                   **PRECIATION AGREEMENTS.**

17           (a) IN GENERAL.—Section 353(e)(7) of the Consoli-  
18   dated Farm and Rural Development Act (7 U.S.C.  
19   2001(e)(7)) is amended—

- 20           (1) in subparagraph (C), by redesignating  
21           clauses (i) and (ii) as subclauses (I) and (II), respec-  
22           tively, and adjusting the margins appropriately;  
23           (2) by redesignating subparagraphs (A) through  
24           (C) as clauses (i) through (iii), respectively, and ad-  
25           justing the margins appropriately;

(3) by striking the paragraph heading and inserting the following:

“(7) OPTIONS FOR SATISFACTION OF OBLIGATION TO PAY RECAPTURE AMOUNT.—

“(A) IN GENERAL.—As an alternative to repaying the full recapture amount at the end of the term of the agreement as determined by the Secretary in accordance with this section, a borrower may satisfy the obligation to pay the amount of recapture by—

“(i) financing the recapture payment in accordance with subparagraph (B); or

“(ii) with the approval of the Secretary, granting the Secretary an agricultural use protection and conservation easement on the property subject to the shared appreciation agreement in accordance with subparagraph (C).

“(B) FINANCING OF RECAPTURE PAYMENT.—”; and

(4) by adding at the end the following:

“(C) AGRICULTURAL USE PROTECTION AND CONSERVATION EASEMENT.—

“(i) IN GENERAL.—Subject to clause (iv), the Secretary may accept an agricul-



1 tural use protection and conservation ease-  
2 ment from the borrower for all or part of  
3 the real security property subject to the  
4 shared appreciation agreement in lieu of  
5 payment of the recapture amount.

6 “(ii) VALUATION.—The Secretary  
7 shall reduce the amount of the recapture  
8 payment by the amount that is equal to  
9 the value of the easement.

10 “(iii) TERM.—The term of an ease-  
11 ment accepted by the Secretary under this  
12 subparagraph shall be not less than 20  
13 years.

14 “(iv) CONDITIONS.—The easement  
15 shall require that the property subject to  
16 the easement shall continue to be used or  
17 conserved for agricultural and conservation  
18 uses in accordance with sound farming and  
19 conservation practices, as determined by  
20 the Secretary.

21 “(v) REPLACEMENT OF METHOD OF  
22 SATISFYING OBLIGATION.—With the ap-  
23 proval of the Secretary, a borrower that  
24 has begun financing of a recapture pay-  
25 ment under subparagraph (B) may replace

1                   that financing with an agricultural use  
 2                   protection and conservation easement  
 3                   under this subparagraph.”.

4           (b) APPLICABILITY.—The amendments made by sub-  
 5 section (a) shall not apply to a shared appreciation agree-  
 6 ment that terminated before the effective date of this title  
 7 and for which the recapture amount as of the effective  
 8 date of this title—

9                   (1) has been paid in full by the borrower; or

10                  (2) is past due.

11 **SEC. 532. WAIVER OF BORROWER TRAINING CERTIFI-**  
 12 **CATION REQUIREMENT.**

13           Section 359 of the Consolidated Farm and Rural De-  
 14 velopment Act (7 U.S.C. 2006a) is amended by striking  
 15 subsection (f) and inserting the following:

16           “(f) WAIVERS.—

17                   “(1) IN GENERAL.—The Secretary may waive  
 18 the requirements of this section for an individual  
 19 borrower if the Secretary determines that the bor-  
 20 rower demonstrates adequate knowledge in areas de-  
 21 scribed in this section.

22                   “(2) CRITERIA.—The Secretary shall establish  
 23 criteria providing for the application of paragraph  
 24 (1) consistently in all counties nationwide.”.

1 **SEC. 533. ANNUAL REVIEW OF BORROWERS.**

2 Section 360(d)(1) of the Consolidated Farm and  
3 Rural Development Act (7 U.S.C. 2006b(d)(1)) is amend-  
4 ed by striking “biannual” and inserting “annual”.

5 **Subtitle D—Farm Credit**

6 **SEC. 541. BOARD OF DIRECTORS OF THE FEDERAL AGRI-  
7 CULTURAL MORTGAGE CORPORATION.**

8 Section 8.2(b) of the Farm Credit Act of 1971 (12  
9 U.S.C. 2279aa–2(b)) is amended—

10 (1) in paragraph (2)—

11 (A) by striking “15” and inserting “17”;

12 (B) in subparagraph (A), by striking  
13 “common stock” and all that follows and insert-  
14 ing “Class A voting common stock;”;

15 (C) in subparagraph (B), by striking  
16 “common stock” and all that follows and insert-  
17 ing “Class B voting common stock;”;

18 (D) by redesignating subparagraph (C) as  
19 subparagraph (D); and

20 (E) by inserting after subparagraph (B)  
21 the following:

22 “(C) 2 members shall be elected by holders  
23 of Class A voting common stock and Class B  
24 voting common stock, 1 of whom shall be the  
25 chief executive officer of the Corporation and 1

1 of whom shall be another executive officer of  
2 the Corporation; and”;

3 (2) in paragraph (3), by striking “(2)(C)” and  
4 inserting “(2)(D)”;

5 (3) in paragraph (4)—

6 (A) in subparagraph (A), by striking “(A)  
7 or (B)” and inserting “(A), (B), or (C)”;

8 (B) in subparagraph (B), by striking  
9 “(2)(C)” and inserting “(2)(D)”;

10 (4) in paragraph (5)(A)—

11 (A) by inserting “executive officers of the  
12 Corporation or” after “from among persons  
13 who are”; and

14 (B) by striking “such a representative”  
15 and inserting “such an executive officer or rep-  
16 resentative”;

17 (5) in paragraph (6)(B), by striking “(A) and  
18 (B)” and inserting “(A), (B), and (C)”;

19 (6) in paragraph (7), by striking “8 members”  
20 and inserting “Nine members”;

21 (7) in paragraph (8)—

22 (A) in the paragraph heading, by inserting  
23 “OR EXECUTIVE OFFICERS OF THE CORPORA-  
24 TION” after “EMPLOYEES”; and

1 (B) by inserting “or executive officers of  
 2 the Corporation” after “United States”; and  
 3 (8) by striking paragraph (9) and inserting the  
 4 following:

5 “(9) CHAIRPERSON.—

6 “(A) ELECTION.—The permanent board  
 7 shall annually elect a chairperson from among  
 8 the members of the permanent board.

9 “(B) TERM.—The term of the chairperson  
 10 shall coincide with the term served by elected  
 11 members of the permanent board under para-  
 12 graph (6)(B).”.

## 13 **Subtitle E—General Provisions**

### 14 **SEC. 551. INAPPLICABILITY OF FINALITY RULE.**

15 Section 281(a)(1) of the Department of Agriculture  
 16 Reorganization Act of 1994 (7 U.S.C. 7001(a)(1)) is  
 17 amended—

18 (1) by striking “This subsection” and inserting  
 19 the following:

20 “(A) IN GENERAL.—Except as provided in  
 21 subparagraph (B), this subsection”; and

22 (2) by adding at the end the following:

23 “(B) AGRICULTURAL CREDIT DECI-  
 24 SIONS.—This subsection shall not apply with  
 25 respect to an agricultural credit decision made

1           by such a State, county, or area committee, or  
2           employee of such a committee, under the Con-  
3           solidated Farm and Rural Development Act (7  
4           U.S.C. 1921 et seq.).”.

5   **SEC. 552. TECHNICAL AMENDMENTS.**

6           (a) Section 321(a) of the Consolidated Farm and  
7   Rural Development Act (7 U.S.C. 1961(a)) is amended  
8   by striking “Disaster Relief and Emergency Assistance  
9   Act” each place it appears and inserting “Robert T. Staf-  
10   ford Disaster Relief and Emergency Assistance Act (42  
11   U.S.C. 5121 et seq.)”.

12          (b) Section 336(b) of the Consolidated Farm and  
13   Rural Development Act (7 U.S.C. 1986(b)) is amended  
14   in the second sentence by striking “provided for in section  
15   332 of this title”.

16          (c) Section 359(c)(1) of the Consolidated Farm and  
17   Rural Development Act (7 U.S.C. 2006a(c)(1)) is amend-  
18   ed by striking “established pursuant to section 332,”.

19          (d) Section 360(a) of the Consolidated Farm and  
20   Rural Development Act (7 U.S.C. 2006b(a)) is amended  
21   by striking “established pursuant to section 332”.

22   **SEC. 553. EFFECT OF AMENDMENTS.**

23          (a) IN GENERAL.—Except as otherwise specifically  
24   provided in this title and notwithstanding any other provi-  
25   sion of law, this title and the amendments made by this

1 title shall not affect the authority of the Secretary of Agri-  
 2 culture to carry out a farm credit program for any of the  
 3 1996 through 2001 fiscal years under a provision of law  
 4 in effect immediately before the enactment of this Act.

5 (b) LIABILITY.—A provision of this title or an  
 6 amendment made by this title shall not affect the liability  
 7 of any person under any provision of law as in effect im-  
 8 mediately before the enactment of this Act.

9 **SEC. 554. EFFECTIVE DATE.**

10 (a) IN GENERAL.—Except as provided in subsection  
 11 (b), this title and the amendments made by this title take  
 12 effect on October 1, 2001.

13 (b) BOARD OF DIRECTORS OF THE FEDERAL AGRI-  
 14 CULTURAL MORTGAGE CORPORATION.—The amendments  
 15 made by section 541 take effect on the date of enactment  
 16 of this Act.

17 **TITLE VI—RURAL**  
 18 **DEVELOPMENT**

19 **Subtitle A—Rural America**

20 **Empowerment and Development**

21 **SEC. 601. FULL FUNDING OF PENDING RURAL DEVELOP-**  
 22 **MENT LOAN AND GRANT APPLICATIONS.**

23 (a) DEFINITION OF APPLICATION.—In this section,  
 24 the term “application” does not include an application for  
 25 a loan, loan guarantee, or grant that, as of the date of

1 enactment of this Act, is in the pre-application phase of  
2 consideration under regulations of the Secretary of Agri-  
3 culture in effect on the date of enactment of this Act.

4 (b) ACCOUNT.—There is established in the Treasury  
5 of the United States an account to be known as the “Rural  
6 America Infrastructure Development Account” (referred  
7 to in this section as the “Account”) to fund rural develop-  
8 ment loans, loan guarantees, and grants described in sub-  
9 section (d) that are pending on the date of enactment of  
10 this Act.

11 (c) FUNDING.—

12 (1) PAYMENT.—Not later than 30 days after  
13 the date of enactment of this Act, out of any funds  
14 in the Treasury not otherwise appropriated, the Sec-  
15 retary of the Treasury shall transfer to the Account  
16 such sums as are necessary to carry out this section.

17 (2) ENTITLEMENT.—The Secretary of  
18 Agriculture—

19 (A) shall be entitled to receive the funds  
20 transferred to the Account under paragraph  
21 (1);

22 (B) shall accept the funds; and

23 (C) shall use the funds to carry out this  
24 section.



1           (3) AVAILABILITY OF FUNDS.—Funds provided  
2           under this subsection shall remain available for obli-  
3           gation until expended.

4           (d) USE OF FUNDS.—

5           (1) ELIGIBLE PROGRAMS.—Subject to para-  
6           graph (2), the Secretary shall use the funds in the  
7           Account to provide funds for applications that are  
8           pending on the date of enactment of this Act for—

9                   (A) community facility direct loans under  
10                  section 306(a)(1) of the Consolidated Farm and  
11                  Rural Development Act (7 U.S.C. 1926(a)(1));

12                  (B) community facility grants under para-  
13                  graph (19), (20), or (21) of section 306(a) of  
14                  that Act (7 U.S.C. 1926(a));

15                  (C) water or waste disposal grants or di-  
16                  rect loans under paragraph (1) or (2) of section  
17                  306(a) of that Act (7 U.S.C. 1926(a));

18                  (D) rural water or wastewater technical as-  
19                  sistance and training grants under section  
20                  306(a)(14) of that Act (7 U.S.C. 1926(a)(14));

21                  (E) business and industry guaranteed  
22                  loans authorized under section 310B(a)(1) of  
23                  that Act (7 U.S.C. 1932(a)(1)); and

24                  (F) solid waste management grants under  
25                  section 310B(b) of that Act (7 U.S.C. 1932(b)).

1 (2) LIMITATIONS.—

2 (A) APPROPRIATED AMOUNTS.—Funds in  
3 the Account shall be available to the Secretary  
4 to provide funds for pending applications for  
5 loans, loan guarantees, and grants described in  
6 paragraph (1) only to the extent that funds for  
7 the loans, loan guarantees, and grants appro-  
8 priated in the annual appropriations Act for fis-  
9 cal year 2002 have been exhausted.

10 (B) PROGRAM REQUIREMENTS.—The Sec-  
11 retary may use the Account to provide funds  
12 for a pending application for a loan, loan guar-  
13 antee, or grant described in paragraph (1) only  
14 if the Secretary processes, reviews, and ap-  
15 proves the application in accordance with regu-  
16 lations in effect on the date of enactment of  
17 this Act.

18 **SEC. 602. BROADBAND ACCESS FOR RURAL AMERICA.**

19 The Rural Electrification Act of 1936 (7 U.S.C. 901  
20 et seq.) is amended by adding at the end the following:

21 **“TITLE VI—RURAL BROADBAND**  
22 **ACCESS**

23 **“SEC. 601. DEFINITIONS.**

24 “In this title:

1           “(1) BROADBAND SERVICE.—The term  
2           ‘broadband service’ means telecommunications serv-  
3           ice (including service provided over copper wire,  
4           fiber, wireless, cable, or satellite) capable of deliv-  
5           ering large quantities of data to and from a cus-  
6           tomer at the greater of—

7                   “(A) a minimum speed of 200 kilobits per  
8                   second; or

9                   “(B) an alternative minimum speed consid-  
10                  ered by the Federal Communications Commis-  
11                  sion as broadband.

12           “(2) ELIGIBLE ENTITY.—The term ‘eligible en-  
13           tity’ means 1 or more of the following entities capa-  
14           ble of providing, or proposing to provide, broadband  
15           service in a rural area:

16                   “(A) An institution of higher education.

17                   “(B) A cooperative.

18                   “(C) A corporation.

19                   “(D) An Indian tribe (as defined in section  
20                  4 of the Indian Self-Determination and Edu-  
21                  cation Assistance Act (25 U.S.C. 450b)).

22                   “(E) A limited dividend or mutual associa-  
23                  tion that is incorporated or is a limited liability  
24                  company.

25                   “(F) A nonprofit organization.

1 “(G) A State or local government.

2 “(H) Other public entity.

3 “(3) RURAL AREA.—The term ‘rural area’  
4 means any area of a State that—

5 “(A) is outside a metropolitan statistical  
6 area designated by the Director of the Office of  
7 Management and Budget; and

8 “(B) is not included within the boundaries  
9 of any incorporated or unincorporated city, vil-  
10 lage, or borough having a population in excess  
11 of 25,000 inhabitants.

12 “(4) STATE.—The term ‘State’ means any of  
13 the States, the Commonwealth of Puerto Rico,  
14 Guam, American Samoa, the Commonwealth of the  
15 Northern Mariana Islands, the Federated States of  
16 Micronesia, the Republic of the Marshall Islands, the  
17 Republic of Palau, and the Virgin Islands of the  
18 United States.

19 **“SEC. 602. LOANS.**

20 “(a) IN GENERAL.—To the extent qualified applica-  
21 tions are available for the loans, the Secretary may make  
22 loans to eligible entities to provide or improve broadband  
23 services in rural areas where the Secretary determines the  
24 services are not adequate.

1       “(b) INTEREST RATE.—The interest rate charged for  
2 a loan under this section shall—

3               “(1) be determined by the Secretary; and

4               “(2) reflect the current cost of funds to the De-  
5 partment of the Treasury for obligations of com-  
6 parable maturity to the remaining term of the loan.

7       “(c) REPAYMENT.—No loan may be made under this  
8 section unless the Secretary—

9               “(1) is reasonably certain that the borrower will  
10 be able to repay the loan; and

11               “(2) determines that the borrower has provided  
12 security for the loan that is adequate to assure re-  
13 payment of the loan.

14       “(d) LOAN TERMS.—

15               “(1) IN GENERAL.—The Secretary shall pre-  
16 scribe the terms and conditions for loans made  
17 under this section.

18               “(2) LENGTH OF LOANS.—The term of a loan  
19 shall not exceed the useful life of the assets, as a  
20 whole, financed by the loan.

21 **“SEC. 603. GRANTS.**

22       “(a) IN GENERAL.—To the extent qualified applica-  
23 tions are available for the loans, the Secretary may make  
24 grants to eligible entities to provide or improve broadband

1 services in remote rural areas that the Secretary deter-  
 2 mines are not receiving broadband services.

3 “(b) DURATION.—To be eligible to obtain a grant  
 4 under this section, an applicant for the grant shall dem-  
 5 onstrate to the Secretary that the project financed by the  
 6 grant will be sustained for a reasonable period, as deter-  
 7 mined by the Secretary.

8 “(c) RESTRICTION.—The Secretary may not make  
 9 both a loan under section 602, and a grant under this  
 10 section, to finance the same project.

11 “(d) APPROVAL OF GRANT APPLICATIONS.—In ap-  
 12 proving applications for grants under this section, the Sec-  
 13 retary shall consider—

14 “(1) the need for the broadband services to be  
 15 provided and the benefits from the services;

16 “(2) the economic need of the rural area to be  
 17 served; and

18 “(3) other factors determined appropriate by  
 19 the Secretary.

20 **“SEC. 604. PLANNING GRANTS FOR ENHANCING ACCESS TO**  
 21 **BROADBAND SERVICE.**

22 “(a) IN GENERAL.—The Secretary may make grants,  
 23 on a competitive basis to States, local governments, and  
 24 community or regional entities engaged in activities and  
 25 partnerships between public and private entities that are

1 designed to develop business plans, to be completed in not  
2 more than 3 years, for bringing broadband service to rural  
3 areas in the most appropriate technological manner prac-  
4 ticable.

5 “(b) MATCHING REQUIREMENT.—As a condition of  
6 receiving a grant under this section, a recipient of a grant  
7 shall provide a matching contribution from non-Federal  
8 sources that is equal to the amount of the grant.

9 “(c) ADMINISTRATIVE COSTS.—The Secretary may  
10 use not more than 4 percent of the funds made available  
11 for grants for a fiscal year under this section for adminis-  
12 trative costs incurred by the Secretary in carrying out this  
13 section.

14 “(d) BUILDINGS AND FACILITIES.—Funds made  
15 available for grants under this section may not be used  
16 for—

17 “(1) the construction of a new building or facil-  
18 ity;

19 “(2) the acquisition or improvement of an exist-  
20 ing building or facility; or

21 “(3) the leasing of office space.

22 **“SEC. 605. SURVEY OF BROADBAND ACCESS NEEDS.**

23 “(a) IN GENERAL.—Out of appropriations made  
24 available to agencies in the rural development mission area  
25 of the Department of Agriculture, the Secretary shall

1 carry out a survey of State economic development agencies  
2 to determine the broadband service needs of current and  
3 prospective businesses located in, or prospectively locating  
4 to, rural areas.

5 “(b) REPORT.—Not later than 1 year after the date  
6 of enactment of this title, the Secretary shall submit to  
7 the Committee on Agriculture of the House of Representa-  
8 tives and the Committee on Agriculture, Nutrition, and  
9 Forestry of the Senate a report on the results of the sur-  
10 vey.

11 “(c) EXEMPTION.—The Secretary shall carry out the  
12 survey required by this section without regard to chapter  
13 35 of title 44, United States Code (commonly known as  
14 the ‘Paperwork Reduction Act of 1995’).

15 **“SEC. 606. CONSULTATION.**

16 “In carrying out this title, the Secretary is encour-  
17 aged to consult with—

18 “(1) the Federal Communications Commission;

19 “(2) the Secretary of Commerce; and

20 “(3) the National Academy of Sciences.

21 **“SEC. 607. AUTHORIZATION OF APPROPRIATIONS.**

22 “There are authorized to be appropriated such sums  
23 as are necessary to carry out this title.”.



1 **SEC. 603. VALUE-ADDED AGRICULTURAL PRODUCT MAR-**  
 2 **KET DEVELOPMENT GRANTS.**

3 Section 231 of the Agriculture Risk Protection Act  
 4 of 2000 (7 U.S.C. 1621 note; Public Law 106–224) is  
 5 amended—

6 (1) by redesignating subsections (a) through (d)  
 7 as subsections (b) through (e), respectively;

8 (2) by inserting after the section heading the  
 9 following:

10 “(a) DEFINITION OF VALUE-ADDED AGRICULTURAL  
 11 PRODUCT.—In this section, the term ‘value-added agricul-  
 12 tural product’ means any agricultural commodity or prod-  
 13 uct that has been subject to a greater level of processing  
 14 that—

15 “(1) expands the market for the agricultural  
 16 commodity or product; and

17 “(2) results in a greater portion of the revenue  
 18 derived from the processing of the agricultural com-  
 19 modity or product being made available to the initial  
 20 producer of the agricultural commodity or product.”;

21 (3) in subsection (b) (as so redesignated)—

22 (A) in paragraph (1)—

23 (i) by striking “Of the” and all that  
 24 follows through “Secretary to” and insert-  
 25 ing “The Secretary may”; and

1 (ii) by striking “value-added agricul-  
 2 tural commodities and products of agricul-  
 3 tural commodities” and inserting “value-  
 4 added agricultural products”; and

5 (iii) in subparagraph (A), by striking  
 6 “value-added agricultural commodity or  
 7 product of an agricultural commodity” and  
 8 inserting “value-added agricultural prod-  
 9 uct”;

10 (B) in paragraph (3)(A), by striking  
 11 “value-added agricultural commodity or product  
 12 of an agricultural commodity” and inserting  
 13 “value-added agricultural product”; and

14 (C) by adding at the end the following:

15 “(4) AUTHORIZATION OF APPROPRIATIONS.—

16 There is authorized to be appropriated to carry out  
 17 this subsection \$50,000,000 for each of fiscal years  
 18 2003 through 2006.”;

19 (4) in subsection (c)(1) (as so redesignated)—

20 (A) by striking “subsection (a)(2)” and in-  
 21 serting “subsection (b)(2)”;

22 (B) by striking “subsection (a)” and in-  
 23 serting “subsection (b)”;

24 (C) in subparagraph (A), by striking  
 25 “value-added agricultural commodities and

1 products of agricultural commodities” and in-  
 2 serting “value-added agricultural products”;  
 3 and  
 4 (5) in subsection (d) (as so redesignated), by  
 5 striking “subsection (a) or (b)” and inserting “sub-  
 6 section (b) or (c)”.

7 **SEC. 604. NATIONAL RURAL DEVELOPMENT INFORMATION**  
 8 **CLEARINGHOUSE.**

9 Section 2381 of the Food, Agriculture, Conservation,  
 10 and Trade Act of 1990 (7 U.S.C. 3125b) is amended to  
 11 read as follows:

12 **“SEC. 2381. NATIONAL RURAL DEVELOPMENT INFORMA-**  
 13 **TION CLEARINGHOUSE.**

14 “(a) ESTABLISHMENT.—The Secretary shall estab-  
 15 lish and maintain, within the rural development mission  
 16 area of the Department of Agriculture, a National Rural  
 17 Development Information Clearinghouse (referred to in  
 18 this section as the ‘Clearinghouse’) to perform the func-  
 19 tions specified in subsection (b).

20 “(b) FUNCTIONS.—The Clearinghouse shall collect  
 21 information and data from, and disseminate information  
 22 and data to, any person or public or private entity about  
 23 programs and services provided by Federal, State, local,  
 24 and tribal agencies, institutions of higher education, and  
 25 private, for-profit and nonprofit organizations and institu-

1 tions under which a person or public or private entity re-  
2 siding or operating in a rural area may be eligible for any  
3 kind of financial, technical, or other assistance, including  
4 business, venture capital, economic, credit and community  
5 development assistance, health care, job training, edu-  
6 cation, and emotional and financial counseling.

7       “(c) MODES OF COLLECTION AND DISSEMINATION  
8 OF INFORMATION.—In addition to other modes for the col-  
9 lection and dissemination of the types of information and  
10 data specified under subsection (b), the Secretary shall en-  
11 sure that the Clearinghouse maintains an Internet website  
12 that provides for dissemination and collection, through  
13 voluntary submission or posting, of the information and  
14 data.

15       “(d) FEDERAL AGENCIES.—On request of the Sec-  
16 retary and to the extent permitted by law, the head of  
17 a Federal agency shall provide to the Clearinghouse such  
18 information as the Secretary may request to enable the  
19 Clearinghouse to carry out this section.

20       “(e) STATE, LOCAL, AND TRIBAL AGENCIES, INSTI-  
21 TUTIONS OF HIGHER EDUCATION, AND NONPROFIT AND  
22 FOR-PROFIT ORGANIZATIONS.—The Secretary shall re-  
23 quest State, local, and tribal governments, institutions of  
24 higher education, and nonprofit and for-profit organiza-  
25 tions and institutions to provide to the Clearinghouse in-

1 formation concerning applicable programs or services de-  
 2 scribed in subsection (b).

3 “(f) PROMOTION OF CLEARINGHOUSE.—The Sec-  
 4 retary prominently shall promote the existence and avail-  
 5 ability of the Clearinghouse in all activities of the Depart-  
 6 ment of Agriculture relating to rural areas of the United  
 7 States.

8 “(g) FUNDING.—

9 “(1) IN GENERAL.—Subject to paragraph (2),  
 10 the Secretary shall use to operate and maintain the  
 11 Clearinghouse not more than \$600,000 of the funds  
 12 available to the Rural Housing Service, the Rural  
 13 Utilities Service, and the Rural Business-Cooperative  
 14 Service for each fiscal year.

15 “(2) LIMITATION.—Funds available to the  
 16 Rural Housing Service, the Rural Utilities Service,  
 17 and the Rural Business-Cooperative Service for the  
 18 payment of loan costs (as defined in section 502 of  
 19 Federal Credit Reform Act of 1990 (2 U.S.C.  
 20 661a)) shall not be used to operate and maintain the  
 21 Clearinghouse.”.

22 **SEC. 605. WHITE HOUSE CONFERENCE ON RURAL AMERICA.**

23 (a) IN GENERAL.—The President may call and con-  
 24 duct a White House Conference on Rural America (re-  
 25 ferred to in this section as the “Conference”) which shall

1 be held not earlier than November 1, 2002, and not later  
2 than October 30, 2004.

3 (b) PURPOSE.—The purpose of the Conference shall  
4 be to bring together the resources of governmental agen-  
5 cies and the private and nonprofit sectors to develop policy  
6 recommendations and integrative strategies for addressing  
7 the unique challenges facing rural areas of the United  
8 States.

9 (c) COMPOSITION.—

10 (1) IN GENERAL.—The Conference shall be  
11 comprised of—

12 (A) representatives of organizations de-  
13 voted to rural development;

14 (B) members of Congress;

15 (C) representatives of the Department of  
16 Agriculture and other Federal agencies;

17 (D) State, local, and tribal elected officials  
18 and representatives;

19 (E) representatives of land-grant colleges  
20 and universities, State and tribal extension  
21 services, and State rural development councils;  
22 and

23 (F) individuals with special knowledge of  
24 and expertise in rural and community develop-  
25 ment, cooperative business, agricultural credit,

1 venture capital, health care, and rural demog-  
2 raphy.

3 (2) SELECTION.—Of the participants in the  
4 Conference described in paragraph (1)—

5 (A)  $\frac{1}{3}$  of the members shall be selected by  
6 the President;

7 (B)  $\frac{1}{3}$  of the members shall be selected by  
8 the Chairman and the ranking member of the  
9 Committee of the Committee on Agriculture of  
10 the House of Representatives; and

11 (C)  $\frac{1}{3}$  of the members shall be selected by  
12 the Chairman and the ranking member of the  
13 Committee of the Committee on Agriculture,  
14 Nutrition, and Forestry of the Senate.

15 (3) REPRESENTATION.—In selecting the par-  
16 ticipants of the Conference, the President and the  
17 Chairman of each Committee referred to in para-  
18 graph (2) shall ensure, to the maximum extent prac-  
19 ticable, that the participants are representative of  
20 the ethnic, racial, and linguistic diversity of rural  
21 areas of the United States.

22 (d) REPORT.—

23 (1) REPORT TO PRESIDENT.—Not later than  
24 120 days after the termination of the Conference,  
25 the Conference shall submit to the President a re-

port that contains the findings and recommendations of the Conference.

(2) REPORT MADE PUBLIC AND TO CONGRESS.—Not later than 90 days after receipt by the President, the President shall—

(A) make the report public; and

(B) transmit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a copy of the report and a statement of the President containing recommendations for implementing the report.

(3) PUBLICATION AND DISTRIBUTION.—

(A) IN GENERAL.—The Conference may publish and distribute the report described in paragraph (1).

(B) MANDATORY DISTRIBUTION.—The Conference shall provide a copy of a report published under subparagraph (A), at no cost to—

(i) each Federal depository library;

and

(ii) on request—

(I) each State, tribal, and local elected official in a rural area of the United States; and



1 (II) each State rural development  
2 council.

3 (e) FUNDING.—

4 (1) PAYMENT.—Not later than 30 days after  
5 the date of enactment of this Act, out of any funds  
6 in the Treasury not otherwise appropriated, the Sec-  
7 retary of the Treasury shall transfer \$2,000,000 to  
8 the President to carry out this section.

9 (2) ENTITLEMENT.—The President—

10 (A) shall be entitled to receive the funds  
11 transferred under paragraph (1);

12 (B) shall accept the funds; and

13 (C) shall use the funds to carry out this  
14 section.

15 (3) AVAILABILITY OF FUNDS.—Funds provided  
16 under this subsection shall remain available for obli-  
17 gation until expended.

18 **SEC. 606. BIOENERGY AND BIOCHEMICAL PROJECTS.**

19 (a) RURAL DEVELOPMENT.—Subtitle D of the Con-  
20 solidated Farm and Rural Development Act (7 U.S.C.  
21 1981 et seq.) is amended by adding at the end the fol-  
22 lowing:

23 **“SEC. 376. BIOENERGY AND BIOCHEMICAL PROJECTS.**

24 “In carrying out rural development loan, loan guar-  
25 antee, and grant programs under this title, the Secretary

1 shall provide a priority for bioenergy and biochemical  
2 projects.”.

3 (b) RURAL UTILITIES.—Title I of the Rural Elec-  
4 trification Act of 1936 (7 U.S.C. 901 et seq.) is amended  
5 by adding at the end the following:

6 **“SEC. 20. BIOENERGY AND BIOCHEMICAL PROJECTS.**

7 “In carrying out rural electric loan, loan guarantee,  
8 and grant programs under this Act, the Secretary shall  
9 provide a priority for bioenergy and biochemical  
10 projects.”.

11 **Subtitle B—National Rural**  
12 **Development Partnership**

13 **SEC. 611. SHORT TITLE.**

14 This subtitle may be cited as the “National Rural De-  
15 velopment Partnership Act of 2001”.

16 **SEC. 612. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.**

17 Subtitle E of the Consolidated Farm and Rural De-  
18 velopment Act (7 U.S.C. 2009 et seq.) is amended by add-  
19 ing at the end the following:

20 **“SEC. 381P. NATIONAL RURAL DEVELOPMENT PARTNER-**  
21 **SHIP.**

22 “(a) DEFINITIONS.—In this section:

23 “(1) AGENCY WITH RURAL RESPONSIBIL-  
24 ITIES.—The term ‘agency with rural responsibilities’

1 means any executive agency (as defined in section  
2 105 of title 5, United States Code) that—

3 “(A) implements Federal law targeted at  
4 rural areas, including—

5 “(i) the Act of April 24, 1950 (com-  
6 monly known as the ‘Granger-Thye Act’)  
7 (64 Stat. 82, chapter 9);

8 “(ii) the Intergovernmental Coopera-  
9 tion Act of 1968 (82 Stat. 1098);

10 “(iii) section 41742 of title 49, United  
11 States Code;

12 “(iv) the Rural Development Act of  
13 1972 (86 Stat. 657);

14 “(v) the Rural Development Policy  
15 Act of 1980 (94 Stat. 1171);

16 “(vi) the Rural Electrification Act of  
17 1936 (7 U.S.C. 901 et seq.);

18 “(vii) amendments made to section  
19 334 of the Public Health Service Act (42  
20 U.S.C. 254g) by the Rural Health Clinics  
21 Act of 1983 (97 Stat. 1345); and

22 “(viii) the Rural Housing Amend-  
23 ments of 1983 (97 Stat. 1240) and the  
24 amendments made by the Rural Housing  
25 Amendments of 1983 to title V of the

1           Housing Act of 1949 (42 U.S.C. 1471 et  
2           seq.); or

3           “(B) administers a program that has a sig-  
4           nificant impact on rural areas, including—

5                 “(i) the Appalachian Regional Com-  
6                 mission;

7                 “(ii) the Department of Agriculture;

8                 “(iii) the Department of Commerce;

9                 “(iv) the Department of Defense;

10                “(v) the Department of Education;

11                “(vi) the Department of Energy;

12                “(vii) the Department of Health and  
13                Human Services;

14                “(viii) the Department of Housing  
15                and Urban Development;

16                “(ix) the Department of the Interior;

17                “(x) the Department of Justice;

18                “(xi) the Department of Labor;

19                “(xii) the Department of Transpor-  
20                tation;

21                “(xiii) the Department of the Treas-  
22                ury;

23                “(xiv) the Department of Veterans Af-  
24                fairs;

1                   “(xv) the Environmental Protection  
2                   Agency;

3                   “(xvi) the Federal Emergency Man-  
4                   agement Administration;

5                   “(xvii) the Small Business Adminis-  
6                   tration;

7                   “(xviii) the Social Security Adminis-  
8                   tration;

9                   “(xix) the Federal Reserve System;

10                  “(xx) the United States Postal Serv-  
11                  ice;

12                  “(xxi) the Corporation for National  
13                  Service;

14                  “(xxii) the National Endowment for  
15                  the Arts and the National Endowment for  
16                  the Humanities; and

17                  “(xxiii) other agencies, commissions,  
18                  and corporations.

19                  “(2) COORDINATING COMMITTEE.—The term  
20                  ‘Coordinating Committee’ means the National Rural  
21                  Development Coordinating Committee established by  
22                  subsection (c).

23                  “(3) PARTNERSHIP.—The term ‘Partnership’  
24                  means the National Rural Development Partnership  
25                  established by subsection (b).

1           “(4) RURAL AREA.—The term ‘rural area’  
2 means—

3           “(A) all the territory of a State that is not  
4 within the boundary of any standard metropoli-  
5 tan statistical area designated by the Director  
6 of the Office of Management and Budget;

7           “(B) all territory within any standard met-  
8 ropolitan statistical area described in subpara-  
9 graph (A) within a census tract having a popu-  
10 lation density of less than 20 persons per  
11 square mile, as determined by the Secretary ac-  
12 cording to the most recent census of the United  
13 States as of any date; and

14           “(C) such areas as a State rural develop-  
15 ment council may identify as rural.

16           “(5) STATE RURAL DEVELOPMENT COUNCIL.—  
17 The term ‘State rural development council’ means a  
18 State rural development council that meets the re-  
19 quirements of subsection (d).

20           “(b) PARTNERSHIP.—

21           “(1) IN GENERAL.—The Secretary shall con-  
22 tinue the National Rural Development Partnership  
23 composed of—

24           “(A) the Coordinating Committee; and

25           “(B) State rural development councils.

1           “(2) PURPOSES.—The purposes of the Partner-  
2       ship are—

3           “(A) to empower and build the capacity of  
4       States and rural communities within States to  
5       design unique responses to their own special  
6       rural development needs, with local determina-  
7       tions of progress and selection of projects and  
8       activities;

9           “(B) to encourage participants to be flexi-  
10      ble and innovative in establishing new partner-  
11      ships and trying fresh, new approaches to rural  
12      development issues, with responses to rural de-  
13      velopment that use different approaches to fit  
14      different situations; and

15          “(C) to encourage all partners in the Part-  
16      nership (Federal, State, local, and tribal gov-  
17      ernments, the private sector, and nonprofit or-  
18      ganizations) to be fully engaged and share  
19      equally in decisions.

20          “(3) GOVERNING PANEL.—

21          “(A) IN GENERAL.—A panel consisting of  
22      representatives of the Coordinating Committee  
23      and State rural development councils shall be  
24      established to lead and coordinate the strategic

1 operation, policies, and practices of the Part-  
2 nership.

3 “(B) ANNUAL REPORTS.—In conjunction  
4 with the Coordinating Committee and State  
5 rural development councils, the panel shall pre-  
6 pare and submit to Congress an annual report  
7 on the activities of the Partnership.

8 “(4) ROLE OF FEDERAL GOVERNMENT.—The  
9 role of the Federal Government in the Partnership  
10 shall be that of a partner and facilitator, with Fed-  
11 eral agencies authorized—

12 “(A) to cooperate with States to implement  
13 the Partnership;

14 “(B) to provide States with the technical  
15 and administrative support necessary to plan  
16 and implement tailored rural development strat-  
17 egies to meet local needs;

18 “(C) to ensure that the head of each agen-  
19 cy referred to in subsection (a)(1)(B) des-  
20 ignates a senior-level agency official to rep-  
21 resent the agency on the Coordinating Com-  
22 mittee and directs appropriate field staff to par-  
23 ticipate fully with the State rural development  
24 council within the jurisdiction of the field staff;  
25 and



1           “(D) to enter into cooperative agreements  
2           with, and to provide grants and other assistance  
3           to State rural development councils.

4           “(5) ROLE OF PRIVATE AND NONPROFIT SEC-  
5           TOR ORGANIZATIONS.—Private and nonprofit sector  
6           organizations are encouraged—

7           “(A) to act as full partners in the Partner-  
8           ship and State rural development councils; and

9           “(B) to cooperate with participating gov-  
10          ernment organizations in developing innovative  
11          approaches to the solution of rural development  
12          problems.

13          “(c) NATIONAL RURAL DEVELOPMENT COORDI-  
14          NATING COMMITTEE.—

15          “(1) ESTABLISHMENT.—The Secretary shall es-  
16          tablish a National Rural Development Coordinating  
17          Committee.

18          “(2) COMPOSITION.—The Coordinating Com-  
19          mittee shall be composed of—

20                 “(A) 1 representative of each agency with  
21                 rural responsibilities that elects to participate in  
22                 the Coordinating Committee; and

23                 “(B) representatives, approved by the Sec-  
24                 retary, of—

1 “(i) national associations of State, re-  
2 gional, local, and tribal governments and  
3 intergovernmental and multijurisdictional  
4 agencies and organizations;

5 “(ii) national public interest groups;

6 “(iii) other national nonprofit organi-  
7 zations that elect to participate in the ac-  
8 tivities of the Coordinating Committee; and

9 “(iv) the private sector.

10 “(3) DUTIES.—The Coordinating Committee  
11 shall—

12 “(A) provide support for the work of the  
13 State rural development councils;

14 “(B) facilitate coordination among Federal  
15 programs and activities, and with State, local,  
16 tribal, and private programs and activities, af-  
17 fecting rural development;

18 “(C) enhance the effectiveness, responsive-  
19 ness, and delivery of Federal programs in rural  
20 areas;

21 “(D) gather and provide to Federal au-  
22 thorities information and input for the develop-  
23 ment and implementation of Federal programs  
24 impacting rural economic and community devel-  
25 opment;

1           “(E) review and comment on policies, reg-  
 2           ulations, and proposed legislation that affect or  
 3           would affect rural areas;

4           “(F) provide technical assistance to State  
 5           rural development councils for the implementa-  
 6           tion of Federal programs; and

7           “(G) develop and facilitate strategies to re-  
 8           duce or eliminate administrative and regulatory  
 9           impediments.

10          “(4) ELECTION NOT TO PARTICIPATE.—An  
 11          agency with rural responsibilities that elects not to  
 12          participate in the Partnership and the Coordinating  
 13          Committee shall submit to Congress a report that  
 14          describes—

15               “(A) how the programmatic responsibilities  
 16               of the Federal agency that target or have an  
 17               impact on rural areas are better achieved with-  
 18               out participation by the agency in the Partner-  
 19               ship; and

20               “(B) a more effective means of partner-  
 21               ship-building and collaboration to achieve the  
 22               programmatic responsibilities of the agency.

23          “(d) STATE RURAL DEVELOPMENT COUNCILS.—

24               “(1) ESTABLISHMENT.—Notwithstanding chap-  
 25          ter 63 of title 31, United States Code, each State

1       may elect to participate in the Partnership by enter-  
2       ing into an agreement with the Secretary to estab-  
3       lish a State rural development council.

4               “(2) STATE DIVERSITY.—Each State rural de-  
5       velopment council shall—

6                       “(A) have a nonpartisan membership that  
7       is broad and representative of the economic, so-  
8       cial, and political diversity of the State; and

9                       “(B) carry out programs and activities in  
10      a manner that reflects the diversity of the  
11      State.

12               “(3) DUTIES.—A State rural development  
13      council shall—

14                       “(A) facilitate collaboration among Fed-  
15      eral, State, local, and tribal governments and  
16      the private and nonprofit sectors in the plan-  
17      ning and implementation of programs and poli-  
18      cies that target or have an impact on rural  
19      areas of the State;

20                       “(B) enhance the effectiveness, responsive-  
21      ness, and delivery of Federal and State pro-  
22      grams in rural areas of the State;

23                       “(C) gather and provide to the Coordin-  
24      ating Committee and other appropriate organi-

1           zations information on the condition of rural  
2           areas in the State;

3           “(D) monitor and report on policies and  
4           programs that address, or fail to address, the  
5           needs of the rural areas of the State;

6           “(E) facilitate the formulation of local  
7           needs assessments for the rural areas of the  
8           State and participate in the development of cri-  
9           teria for the distribution of Federal funds to  
10          the rural areas of the State;

11          “(F) provide comments to the Coordin-  
12          ating Committee and other appropriate organi-  
13          zations on policies, regulations, and proposed  
14          legislation that affect or would affect the rural  
15          areas of the State;

16          “(G) in conjunction with the Coordinating  
17          Committee, facilitate the development of strate-  
18          gies to reduce or eliminate conflicting or dupli-  
19          cative administrative or regulatory requirements  
20          of Federal, State, local, and tribal governments;

21          “(H) use grant or cooperative agreement  
22          funds provided by the Partnership under an  
23          agreement entered into under paragraph (1)  
24          to—

1 “(i) retain an Executive Director and  
2 such support staff as are necessary to fa-  
3 cilitate and implement the directives of the  
4 State rural development council; and

5 “(ii) pay expenses associated with car-  
6 rying out subparagraphs (A) through (G);  
7 and

8 “(I)(i) provide to the Coordinating Com-  
9 mittee an annual plan with goals and perform-  
10 ance measures; and

11 “(ii) submit to the Coordinating Com-  
12 mittee an annual report on the progress of the  
13 State rural development council in meeting the  
14 goals and measures.

15 “(4) AUTHORITIES.—A State rural development  
16 council may—

17 “(A) solicit funds to supplement and  
18 match funds provided under paragraph (3)(H);  
19 and

20 “(B) engage in activities, in addition to  
21 those specified in paragraph (3), appropriate to  
22 accomplish the purposes for which the State  
23 rural development council is established.

24 “(5) COMMENTS OR RECOMMENDATIONS.—

1           “(A) IN GENERAL.—A State rural develop-  
 2           ment council may provide comments and rec-  
 3           ommendations to an agency with rural respon-  
 4           sibilities related to the activities of the State  
 5           rural development council within the State.

6           “(B) AGENCY.—The agency with rural re-  
 7           sponsibilities shall provide to the State rural de-  
 8           velopment council a written response to the  
 9           comments or recommendations.

10          “(6) ACTIONS OF STATE RURAL DEVELOPMENT  
 11          COUNCIL MEMBERS.—When carrying out a program  
 12          or activity authorized by a State rural development  
 13          council or this subtitle, a member of the council  
 14          shall be regarded as a full-time employee of the Fed-  
 15          eral Government for purposes of chapter 171 of title  
 16          28, United States Code, and the Federal Advisory  
 17          Committee Act (5 U.S.C. App.).

18          “(7) FEDERAL PARTICIPATION IN STATE RURAL  
 19          DEVELOPMENT COUNCILS.—

20               “(A) IN GENERAL.—Subject to subpara-  
 21               graph (B), a Federal employee may participate  
 22               in a State rural development council.

23               “(B) CONFLICTS.—A Federal employee  
 24               who participates in a State rural development  
 25               council shall not participate in the making of

1 any council decision if the agency represented  
2 by the Federal employee has any financial or  
3 other interest in the outcome of the decision.

4 “(C) FEDERAL GUIDANCE.—The Office of  
5 Government Ethics, in consultation with the At-  
6 torney General, shall issue guidance to all Fed-  
7 eral employees that participate in State rural  
8 development councils that describes specific de-  
9 cisions that—

10 “(i) would constitute a conflict of in-  
11 terest for the Federal employee; and

12 “(ii) from which the Federal employee  
13 must recuse himself or herself.

14 “(8) PERFORMANCE EVALUATIONS.—In con-  
15 ducting a performance evaluation of an employee of  
16 an agency with rural responsibilities, the agency may  
17 consider any comments submitted by a State rural  
18 development council.

19 “(e) ADMINISTRATIVE SUPPORT OF THE PARTNER-  
20 SHIP.—

21 “(1) DETAIL OF EMPLOYEES.—

22 “(A) IN GENERAL.—In order to provide  
23 experience in intergovernmental collaboration,  
24 the head of an agency with rural responsibilities  
25 that elects to participate in the Partnership



1           may, and is encouraged to, detail an employee  
2           of the agency with rural responsibilities to the  
3           Partnership without reimbursement for a period  
4           of up to 12 months.

5           “(B) CIVIL SERVICE STATUS.—The detail  
6           shall be without interruption or loss of civil  
7           service status or privilege.

8           “(2) ADDITIONAL SUPPORT.—The Secretary  
9           shall provide for any additional support staff to the  
10          Partnership as the Secretary determines to be nec-  
11          essary to carry out the duties of the Partnership.

12         “(f) FUNDING.—

13           “(1) AUTHORIZATION OF APPROPRIATIONS.—

14           “(A) IN GENERAL.—There are authorized  
15           to be appropriated such sums as are necessary  
16           to carry out this section.

17           “(B) FUNDING FORMULA.—In the case of  
18           general financial support provided by the Fed-  
19           eral Government to all State rural development  
20           councils, such support shall be, to the maximum  
21           extent practicable, uniform in amount.

22           “(2) FEDERAL AGENCIES.—

23           “(A) IN GENERAL.—Notwithstanding any  
24           other provision of law limiting the ability of an  
25           agency to provide funds to the Partnership with

1           other agencies, in order to carry out the pur-  
2           poses described in subsection (b)(3), the Part-  
3           nership shall be eligible to receive grants, gifts,  
4           contributions, or technical assistance from, or  
5           enter into contracts with, any Federal agency.

6           “(B) ASSISTANCE.—Federal agencies are  
7           encouraged to use funds made available for pro-  
8           grams that target or have an impact on rural  
9           areas to provide assistance to, and enter into  
10          contracts with, the Partnership, as described in  
11          subparagraph (A).

12          “(3) CONTRIBUTIONS.—The Partnership may  
13          accept private contributions.

14          “(g) MATCHING REQUIREMENTS FOR STATE RURAL  
15          DEVELOPMENT COUNCILS.—A State rural development  
16          council shall provide matching funds, or in-kind goods or  
17          services, to support the activities of the State rural devel-  
18          opment council in an amount determined by the Secretary  
19          that is not less than 33 percent of the amount of Federal  
20          funds received under an agreement under subsection  
21          (d)(1).

22          “(h) TERMINATION.—The authority provided under  
23          this section shall terminate on the date that is 5 years  
24          after the date of enactment of this section.”.

## 1 **Subtitle C—Consolidated Farm and** 2 **Rural Development Act**

### 3 **SEC. 621. WATER OR WASTE DISPOSAL GRANTS.**

4 Section 306(a)(2) of the Consolidated Farm and  
5 Rural Development Act (7 U.S.C. 1926(a)(2)) is amended  
6 in the first sentence by striking “\$590,000,000” and in-  
7 serting “\$1,500,000,000”.

### 8 **SEC. 622. RURAL BUSINESS OPPORTUNITY GRANTS.**

9 Section 306(a)(11)(D) of the Consolidated Farm and  
10 Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is  
11 amended by striking “2002” and inserting “2006”.

### 12 **SEC. 623. RURAL WATER AND WASTEWATER CIRCUIT RIDER** 13 **PROGRAM.**

14 Section 306(a) of the Consolidated Farm and Rural  
15 Development Act (7 U.S.C. 1926(a)) is amended by added  
16 at the end the following:

17 “(22) RURAL WATER AND WASTEWATER CIR-  
18 CUIT RIDER PROGRAM.—

19 “(A) IN GENERAL.—The Secretary shall  
20 establish a national rural water and wastewater  
21 circuit rider program that is based on the rural  
22 water circuit rider program of the National  
23 Rural Water Association that (as of the date of  
24 enactment of this paragraph) receives funding

1 from the Secretary, acting through the Rural  
2 Utilities Service.

3 “(B) AUTHORIZATION OF APPROPRIA-  
4 TIONS.—There is authorized to be appropriated  
5 to carry out this paragraph \$15,000,000 for  
6 each of fiscal years 2003 through 2006.”.

7 **SEC. 624. RURAL DEVELOPMENT ASSISTANCE ORGANIZA-**  
8 **TIONS.**

9 Section 306(a) of the Consolidated Farm and Rural  
10 Development Act (7 U.S.C. 1926(a)) (as amended by sec-  
11 tion 623) is amended by added at the end the following:

12 “(23) RURAL DEVELOPMENT ASSISTANCE OR-  
13 GANIZATIONS.—

14 “(A) DEFINITION OF RURAL AREA.—In  
15 this paragraph, the term ‘rural area’ has the  
16 meaning given the term in section 381P.

17 “(B) GRANTS.—The Secretary shall pro-  
18 vide grants to certified organizations to pay the  
19 Federal share of the cost of providing technical  
20 assistance in 1 or more rural development fields  
21 to eligible entities.

22 “(C) CERTIFIED ORGANIZATIONS.—

23 “(i) IN GENERAL.—To be certified by  
24 the Secretary to provide technical assist-

1           ance in 1 or more rural development fields,  
2           an organization shall—

3                   “(I) be a nonprofit organization  
4                   (which may include an institution of  
5                   higher education) with experience in  
6                   providing technical assistance in the  
7                   applicable rural development field;

8                   “(II) develop a plan, approved by  
9                   the Secretary, describing the manner  
10                  in which grant funds will be used and  
11                  the source of non-Federal funds; and

12                  “(III) meet such other criteria as  
13                  the Secretary may establish, based on  
14                  the needs of eligible entities for the  
15                  technical assistance.

16                  “(iii) LIST.—The Secretary shall  
17                  make a list of certified organizations avail-  
18                  able to the public.

19                  “(D) PRIORITY.—In determining which  
20                  certified organizations will receive a grant  
21                  under this paragraph, the Secretary shall pro-  
22                  vide a priority to a certified organization that—

23                   “(i) serves a rural area that, during  
24                   the most recent 5-year period—

1                   “(I) had a net out-migration of  
 2                   inhabitants, or other population loss,  
 3                   from the rural area that equals or ex-  
 4                   ceeds 5 percent of the population of  
 5                   the rural area; or

6                   “(II) had a median household in-  
 7                   come that is less than the nonmetro-  
 8                   politan median household income of  
 9                   the United States; and

10                  “(ii) has a history of providing sub-  
 11                  stantive assistance to local governments  
 12                  and economic development organizations.

13                  “(E) ELIGIBLE ENTITIES.—To receive  
 14                  technical assistance from a certified organiza-  
 15                  tion under this paragraph, an entity shall—

16                  “(i) be—

17                         “(I) a cooperative;

18                         “(II) an Indian tribe (as defined  
 19                         in section 4 of the Indian Self-Deter-  
 20                         mination and Education Assistance  
 21                         Act (25 U.S.C. 450b));

22                         “(III) a local government;

23                         “(IV) an economic development  
 24                         organization; and

25                         “(V) a business; and

1                   “(ii) serve a population, at least 25  
2                   percent of which is located in a rural area.

3                   “(F) USES OF GRANTS.—A certified orga-  
4                   nization shall use a grant provided under this  
5                   paragraph to improve the capability of an eligi-  
6                   ble entity to assist communities in rural  
7                   areas—

8                   “(i) to develop and implement eco-  
9                   nomic development strategies;

10                  “(ii) to perform analyses of infra-  
11                  structure needs; and

12                  “(iii) to provide assistance to local  
13                  governments and individuals concerning  
14                  the availability of economic assistance from  
15                  any source.

16                  “(G) MAXIMUM AMOUNT OF GRANTS.—  
17                  The amount of a grant provided to a certified  
18                  organization under this paragraph shall not ex-  
19                  ceed \$100,000.

20                  “(H) FEDERAL SHARE.—

21                  “(i) IN GENERAL.—Except as pro-  
22                  vided in clause (ii), the Federal share of a  
23                  grant provided under this paragraph shall  
24                  be not more than 75 percent of the cost in-  
25                  curred by a certified organization to pro-

vide technical assistance to an eligible entity.

“(ii) REDUCTION OR WAIVER OF NON-FEDERAL SHARE.—In response to information provided by a certified organization, the Secretary may reduce or waive the non-Federal share required under this paragraph for reasons of hardship or to further the purposes of this paragraph.

“(I) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph \$30,000,000 for each of fiscal years 2003 through 2006.”.

**SEC. 625. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM.**

Section 306A(i) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a(i)) is amended by striking “2002” and inserting “2006”.

**SEC. 626. WATER AND WASTE FACILITY GRANTS FOR NATIVE AMERICAN TRIBES.**

Section 306C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926c(e)) is amended by striking subsection (e) and inserting the following:

“(e) AUTHORIZATION OF APPROPRIATIONS.—



1           “(1) IN GENERAL.—Subject to paragraph (2),  
2       there is authorized to be appropriated—

3           “(A) for grants under this section,  
4       \$30,000,000 for each fiscal year;

5           “(B) for loans under this section,  
6       \$30,000,000 for each fiscal year; and

7           “(C) for grants under this section to ben-  
8       efit Indian tribes (as defined in section 4 of the  
9       Indian Self-Determination and Education As-  
10      sistance Act (25 U.S.C. 450b)), \$20,000,000  
11      for each fiscal year.

12          “(2) EXCEPTION.—An entity eligible to receive  
13      funding through a grant made under section 306D  
14      shall not be eligible for a grant from funds made  
15      available under subparagraph (1)(C).”.

16 **SEC. 627. WATER SYSTEMS FOR RURAL AND NATIVE VIL-**  
17 **LAGES IN ALASKA.**

18      Section 306D(d)(1) of the Consolidated Farm and  
19      Rural Development Act (7 U.S.C. 1926d(d)(1)) is amend-  
20      ed by striking “and 2002” and inserting “through 2006”.

21 **SEC. 628. RURAL COOPERATIVE DEVELOPMENT GRANTS.**

22      Section 310B(e)(9) of the Consolidated Farm and  
23      Rural Development Act (7 U.S.C. 1932(e)(9)) is amended  
24      by striking “2002” and inserting “2006”.

1 **SEC. 629. VALUE-ADDED INTERMEDIARY RELENDING PRO-**  
2 **GRAM.**

3 Section 310B of the Consolidated Farm and Rural  
4 Development Act (7 U.S.C. 1932) is amended by adding  
5 at the end the following:

6 “(h) VALUE-ADDED INTERMEDIARY RELENDING  
7 PROGRAM.—

8 “(1) IN GENERAL.—In accordance with this  
9 subsection, the Secretary shall make loans under the  
10 intermediary relending program established under  
11 section 1323(b)(2)(C) of the Food Security Act of  
12 1985 (7 U.S.C. 1932 note; Public Law 99–198).

13 “(2) LOANS.—Using funds made available to  
14 carry out this subsection, the Secretary shall make  
15 loans to eligible intermediaries to make loans to ulti-  
16 mate recipients, under the terms and conditions of  
17 the intermediary relending program, for projects to  
18 establish, enlarge, and operate enterprises that add  
19 value to agricultural commodities and products of  
20 agricultural commodities.

21 “(3) ELIGIBLE INTERMEDIARIES.—Inter-  
22 mediaries that shall be eligible to receive loans under  
23 paragraph (2) shall include State agencies.

24 “(4) PREFERENCE FOR BIOENERGY  
25 PROJECTS.—In making loans using loan funds made  
26 available under paragraph (2), an eligible inter-

1       mediary shall give preference to bioenergy projects  
2       in accordance with regulations promulgated by the  
3       Secretary.

4               “(5) COMPOSITION OF CAPITAL.—The capital  
5       for a project carried out by an ultimate recipient  
6       and assisted with loan funds made available under  
7       paragraph (2) shall be comprised of—

8               “(A) not more than 15 percent of the total  
9       cost of a project; and

10              “(B) not less than 50 percent of the equity  
11       funds provided by agricultural producers.

12              “(6) LOAN CONDITIONS.—

13              “(A) TERMS OF LOANS.—A loan made to  
14       an intermediary using loan funds made avail-  
15       able under paragraph (2) shall have a term of  
16       not to exceed 30 years.

17              “(B) INTEREST.—The interest rate on  
18       such a loan shall be—

19              “(i) in the case of each of the first 2  
20       years of the loan period, 0 percent; and

21              “(ii) in the case of each of the re-  
22       maining years of the loan period, 2 per-  
23       cent.

24              “(7) LIMITATIONS ON AMOUNT OF LOAN FUNDS  
25       PROVIDED.—

1           “(A) IN GENERAL.—Except as provided in  
 2           subparagraph (B), an intermediary or ultimate  
 3           recipient shall be eligible to receive not more  
 4           than \$2,000,000 of the loan funds made avail-  
 5           able under paragraph (2).

6           “(B) STATE AGENCIES.—Subparagraph  
 7           (A) shall not apply in the case of a State agen-  
 8           cy with respect to loan funds provided to the  
 9           State agency as an intermediary.”.

10 **SEC. 630. USE OF RURAL DEVELOPMENT LOANS AND**  
 11 **GRANTS FOR OTHER PURPOSES.**

12       Subtitle A of the Consolidated Farm and Rural De-  
 13 velopment Act (7 U.S.C. 1921 et seq.) (as amended by  
 14 section 508) is amended by adding at the end the fol-  
 15 lowing:

16 **“SEC. 310G. USE OF RURAL DEVELOPMENT LOANS AND**  
 17 **GRANTS FOR OTHER PURPOSES.**

18       “If, after making a loan or a grant described in sec-  
 19 tion 381E(d), the Secretary determines that the cir-  
 20 cumstances under which the loan or grant was made have  
 21 sufficiently changed to make the project or activity for  
 22 which the loan or grant was made available no longer ap-  
 23 propriate, the Secretary may allow the loan borrower or  
 24 grant recipient to use property (real and personal) pur-  
 25 chased with the loan or grant funds, or proceeds from the

1 sale of property (real and personal) purchased with such  
 2 funds, for another project or activity that (as determined  
 3 by the Secretary)—

4 “(1) will be carried out in the same area as the  
 5 original project or activity;

6 “(2) meets the criteria for a loan or a grant de-  
 7 scribed in section 381E(d); and

8 “(3) satisfies such additional requirements as  
 9 are established by the Secretary.”.

10 **SEC. 631. SIMPLIFIED APPLICATION FORMS FOR LOAN**  
 11 **GUARANTEES.**

12 Section 333A(g) of the Consolidated Farm and Rural  
 13 Development Act (7 U.S.C. 1983a(g)) (as amended by sec-  
 14 tion 526) is amended by striking “(g)(1)” and all that  
 15 follows through the end of paragraph (1) and inserting  
 16 the following:

17 “(g) SIMPLIFIED APPLICATION FORMS FOR LOAN  
 18 GUARANTEES.—

19 “(1) IN GENERAL.—The Secretary shall provide  
 20 to lenders a short, simplified application form for  
 21 guarantees under this title of—

22 “(A) farmer program loans the principal  
 23 amount of which is \$100,000 or less; and

1           “(B) business and industry guaranteed  
 2           loans under section 310B(a)(1) the principal  
 3           amount of which is—

4                   “(i) in the case of a loan guarantee  
 5                   made during fiscal year 2002 or 2003,  
 6                   \$400,000 or less; and

7                   “(ii) in the case of a loan guarantee  
 8                   made during any subsequent fiscal year—

9                           “(I) \$400,000 or less; or

10                           “(II) if the Secretary determines  
 11                           that there is not a significant in-  
 12                           creased risk of a default on the loan,  
 13                           \$600,000 or less.”.

14 **SEC. 632. GRANTS FOR EMERGENCY WEATHER RADIO**  
 15 **TRANSMITTERS.**

16           Subtitle D of the Consolidated Farm and Rural De-  
 17 velopment Act (7 U.S.C. 1981 et seq.) (as amended by  
 18 section 606(a)) is amended by adding at the end the fol-  
 19 lowing:

20 **“SEC. 377. GRANTS FOR EMERGENCY WEATHER RADIO**  
 21 **TRANSMITTERS.**

22           “(a) IN GENERAL.—The Secretary, acting through  
 23 the Administrator of the Rural Utilities Service, may  
 24 make grants to public and nonprofit entities for the Fed-  
 25 eral share of the cost of acquiring radio transmitters to

1 increase coverage of rural areas by the emergency weather  
 2 radio broadcast system of the National Oceanic and At-  
 3 mospheric Administration.

4 “(b) ELIGIBILITY.—To be eligible for a grant under  
 5 this section, an applicant shall provide to the Secretary—

6 “(1) a binding commitment from a tower owner  
 7 to place the transmitter on a tower; and

8 “(2) a description of how the tower placement  
 9 will increase coverage of a rural area by the emer-  
 10 gency weather radio broadcast system of the Na-  
 11 tional Oceanic and Atmospheric Administration.

12 “(c) FEDERAL SHARE.—The Federal share of a  
 13 grant provided under this section shall be not more than  
 14 75 percent of the cost of acquiring a radio transmitter  
 15 described in subsection (a).

16 “(d) AUTHORIZATION.—There is authorized to be ap-  
 17 propriated to carry out this section \$2,000,000 for each  
 18 of fiscal years 2002 through 2006.”.

19 **SEC. 633. PROGRAMS FOR RURAL SENIORS.**

20 Subtitle D of the Consolidated Farm and Rural De-  
 21 velopment Act (7 U.S.C. 1981 et seq.) (as amended by  
 22 section 632) is amended by adding at the end the fol-  
 23 lowing:

24 **“SEC. 378. PROGRAMS FOR RURAL SENIORS.**

25 “(a) INTERAGENCY COORDINATING COMMITTEE.—

1           “(1) IN GENERAL.—The Secretary shall estab-  
2       lish an interagency coordinating committee (referred  
3       to in this subsection as the ‘Committee’) to examine  
4       the special problems of rural seniors.

5           “(2) MEMBERSHIP.—The Committee shall be  
6       comprised of—

7           “(A) the Undersecretary of Agriculture for  
8       Rural Development, who shall serve as chair-  
9       person of the Committee;

10          “(B) 2 representatives of the Secretary of  
11       Health and Human Services, of whom—

12           “(i) 1 shall have expertise in the field  
13       of health care; and

14           “(ii) 1 shall have expertise in the field  
15       of programs under the Older Americans  
16       Act of 1965 (42 U.S.C. 3001 et seq.);

17          “(C) 1 representative of the Secretary of  
18       Housing and Urban Development;

19          “(D) 1 representative of the Secretary of  
20       Transportation; and

21          “(E) representatives of such other Federal  
22       agencies as the Secretary may designate.

23          “(3) DUTIES.—The Committee shall—



1           “(A) study health care, transportation,  
2           technology, housing, accessibility, and other  
3           areas of need of rural seniors;

4           “(B) identify successful examples of senior  
5           care programs in rural communities that could  
6           serve as models for other rural communities;  
7           and

8           “(C) not later than 1 year after the date  
9           of enactment of this section, submit to the Sec-  
10          retary recommendations for administrative and  
11          legislative action.

12       “(b) GRANTS.—

13           “(1) IN GENERAL.—The Secretary, acting  
14          through the Administrator of the Rural Housing  
15          Service, shall make grants to nonprofit organizations  
16          to pay the Federal share of the cost of programs  
17          that demonstrate creativity in promoting wellness,  
18          affordable housing, technology adaptation, and  
19          transportation, for seniors.

20           “(2) FEDERAL SHARE.—The Federal share  
21          shall be 50 percent.

22           “(3) LEVERAGING.—In selecting programs to  
23          receive grants under paragraph (1), the Secretary  
24          shall give priority to proposals that leverage re-  
25          sources to meet multiple rural community goals.

1 “(c) FUNDING.—

2 “(1) INTERAGENCY COORDINATING COM-  
3 MITTEE.—Funds available to any Federal agency  
4 may be used to carry out interagency activities  
5 under subsection (a).

6 “(2) GRANTS.—There is authorized to be ap-  
7 propriated to carry out subsection (b) \$10,000,000  
8 for each of fiscal years 2003 through 2006.”.

9 **SEC. 634. RURAL COMMUNITY ADVANCEMENT PROGRAM.**

10 (a) RURAL COMMUNITY ADVANCEMENT PROGRAM  
11 ACCOUNT.—Section 381E of the Consolidated Farm and  
12 Rural Development Act (7 U.S.C. 2009d) is amended—

13 (1) by striking the section heading and insert-  
14 ing the following:

15 **“SEC. 381E. RURAL COMMUNITY ADVANCEMENT PROGRAM**  
16 **ACCOUNT.”;**

17 (2) by striking subsection (a) and inserting the  
18 following:

19 “(a) ESTABLISHMENT.—There is established in the  
20 Treasury of the United States a program account which  
21 shall be known as the Rural Community Advancement  
22 Program Account (in this subtitle referred to as the ‘Pro-  
23 gram Account’).”;

24 (3) in subsection (b)—

25 (A) by striking paragraph (4); and

1 (B) by redesignating paragraph (5) as  
 2 paragraph (4);

3 (4) by striking “Trust Fund” each place it ap-  
 4 pears and inserting “Program Account”;

5 (5) by striking subsection (e) and inserting the  
 6 following:

7 “(e) RESERVATIONS IN ACCOUNTS.—

8 “(1) RESERVATION.—Of the amount made  
 9 available to carry out the functions described in sub-  
 10 section (d)(1) for a fiscal year—

11 “(A) 15 percent of the amount shall be re-  
 12 served for carrying out projects that benefit  
 13 senior citizens; and

14 “(B) 10 percent of the amount shall be re-  
 15 served for projects that increase the availability  
 16 of child day care facilities.

17 “(2) RELEASE.—Funds reserved under this  
 18 subsection for a fiscal year shall be reserved only  
 19 until April 1 of the fiscal year.”; and

20 (6) by striking subsection (h).

21 (b) TRANSFERS OF FUNDS.—Section 381F of the  
 22 Consolidated Farm and Rural Development Act (7 U.S.C.  
 23 2009e) is amended—

24 (1) by striking subsection (a) and inserting the  
 25 following:

1       “(a) TRANSFER AUTHORITY.—

2               “(1) GENERAL AUTHORITY.—During any fiscal  
3       year, the State director of any State, subject to the  
4       approval of the Secretary, may transfer from each  
5       account specified in section 381E(b) a total of not  
6       more than 25 percent of the amount in the account  
7       that is initially allocated by the Secretary for the  
8       State for the fiscal year to any other account in  
9       which amounts are allocated for the State for the  
10      fiscal year.

11              “(2) INCENTIVE AUTHORITY.—The percentage  
12      of funds authorized to be transferred under para-  
13      graph (1) shall be increased to 35 percent for a  
14      State if the State director demonstrates to the satis-  
15      faction of the Secretary that local community and  
16      tribal development directors were included in the  
17      preparation of the strategic plan required under sec-  
18      tion 381D.

19              “(3) LIMITATION.—A State director shall not  
20      use the transfer authorities under this subsection to  
21      increase the amount of an account by more than 25  
22      percent of the amount allocated to the State for that  
23      account for a fiscal year.”;

24              (2) by striking subsection (b);

1           (3) by redesignating subsection (c) as sub-  
2       section (b); and

3           (4) in subsection (b) (as redesignated by para-  
4       graph (3))—

5           (A) by striking “EXCEPTIONS.—Sub-  
6       sections (a) and (b)” and inserting “EXCEP-  
7       TION FOR LACK OF APPLICATIONS.—Sub-  
8       section (a)”;

9           (B) in paragraph (2)—

10          (i) in subparagraph (A)—

11               (I) by striking “(A)”;

12               (II) by striking “; or” and insert-  
13       ing a period;

14          (ii) by striking subparagraph (B).

15       (c) GRANTS TO STATES; GUARANTEE AND COMMIT-  
16       MENT TO GUARANTEE LOANS.—Subtitle E of the Consoli-  
17       dated Farm and Rural Development Act (7 U.S.C. 2009  
18       et seq.) is amended—

19          (1) by striking sections 381G and 381H (7  
20       U.S.C. 2009f, 2009g); and

21          (2) by redesignating sections 381I through  
22       381O (7 U.S.C. 2009h through 2009n) and section  
23       381P (as added by section 612 of this Act) as sec-  
24       tions 381G through 381N, respectively.

1 (d) RURAL VENTURE CAPITAL DEMONSTRATION  
2 PROGRAM.—Section 381N of the Consolidated Farm and  
3 Rural Development Act (as redesignated by subsection  
4 (c)(2)) is amended—

5 (1) in subsection (b)—

6 (A) in paragraph (2), by striking “From  
7 amounts in the national reserve account of the  
8 Trust Fund, the” and inserting “The”; and

9 (B) in paragraph (3), by striking “2002”  
10 and inserting “2006”; and

11 (2) by adding at the end the following:

12 “(c) AUTHORIZATION OF APPROPRIATIONS.—There  
13 are authorized to be appropriated such sums as are nec-  
14 essary to carry out this section.”.

15 (e) REPORT.—Not later than 18 months after the  
16 date of enactment of this Act, the Secretary shall submit  
17 to the Committee on Agriculture of the House of Rep-  
18 resentatives and the Committee on Agriculture, Nutrition,  
19 and Forestry of the Senate a report on the implementation  
20 of the amendments made by this section.

21 **SEC. 635. DELTA REGIONAL AUTHORITY.**

22 (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
23 382M(a) of the Consolidated Farm and Rural Develop-  
24 ment Act (7 U.S.C. 2009aa–12(a)) is amended by striking  
25 “2002” and inserting “2006”.

1 (b) TERMINATION OF AUTHORITY.—Section 382N of  
 2 the Consolidated Farm and Rural Development Act (7  
 3 U.S.C. 2009aa–13) is amended by striking “2002” and  
 4 inserting “2006”.

5 **SEC. 636. SEARCH GRANTS FOR SMALL COMMUNITIES.**

6 The Consolidated Farm and Rural Development Act  
 7 (7 U.S.C. 1921 et seq.) is amended by adding at the end  
 8 the following:

9 **“Subtitle G—SEARCH Grants for**  
 10 **Small Communities**

11 **“SEC. 383A. DEFINITIONS.**

12 “In this subtitle:

13 “(1) COUNCIL.—The term ‘council’ means an  
 14 independent citizens’ council established by section  
 15 383B(d).

16 “(2) ENVIRONMENTAL PROJECT.—

17 “(A) IN GENERAL.—The term ‘environ-  
 18 mental project’ means a project that—

19 “(i) improves environmental quality;

20 and

21 “(ii) is necessary to comply with an  
 22 environmental law (including a regulation).

23 “(B) INCLUSION.—The term ‘environ-  
 24 mental project’ includes an initial feasibility  
 25 study of a project.

1           “(3) REGION.—The term ‘region’ means a geo-  
2           graphic area of a State, as determined by the Gov-  
3           ernor of the State.

4           “(4) SEARCH GRANT.—The term ‘SEARCH  
5           grant’ means a grant for special environmental as-  
6           sistance for the regulation of communities and habi-  
7           tat awarded under section 383B(e)(3).

8           “(5) SMALL COMMUNITY.—The term ‘small  
9           community’ means an incorporated or unincor-  
10          porated rural community having a population of not  
11          more than 2,500 individuals.

12          “(6) STATE.—The term ‘State’ has the mean-  
13          ing given the term in section 381A.

14   **“SEC. 383B. SEARCH GRANT PROGRAM.**

15          “(a) IN GENERAL.—There is established the  
16   SEARCH Grant Program.

17          “(b) APPLICATION.—

18               “(1) IN GENERAL.—Not later than October 1 of  
19               each fiscal year, a State may submit to the Sec-  
20               retary an application to receive a grant under sub-  
21               section (c) for the fiscal year.

22               “(2) REQUIREMENTS.—An application under  
23               paragraph (1) shall contain—



1           “(A) a certification by the State that the  
 2           State has appointed members to the council of  
 3           the State under subsection (c)(2)(C); and

4           “(B) such information as the Secretary  
 5           may reasonably require.

6           “(c) GRANTS TO STATES.—

7           “(1) IN GENERAL.—Not later than 60 days  
 8           after the date on which the Office of Management  
 9           and Budget apportions any amounts made available  
 10          under this subtitle, for each fiscal year after the  
 11          date of enactment of this subtitle, the Secretary  
 12          shall, on request by a State—

13           “(A) determine whether any application  
 14           submitted by the State under subsection (b)  
 15           meets the requirements of subsection (b)(2);  
 16           and

17           “(B) subject to paragraph (2) and sub-  
 18           section (d)(2)(C), if the Secretary determines  
 19           that the application meets the requirements of  
 20           subsection (b)(2), award a grant of not to ex-  
 21           ceed \$1,000,000 to the State, to be used by the  
 22           council of the State to award SEARCH grants  
 23           under subsection (e).

24           “(2) GRANTS TO CERTAIN STATES.—The aggre-  
 25          gate amount of grants awarded to States other than

1 Alaska, Hawaii, or 1 of the 48 contiguous States,  
2 under this subsection shall not exceed \$1,000,000  
3 for any fiscal year.

4 “(d) INDEPENDENT CITIZENS’ COUNCIL.—

5 “(1) ESTABLISHMENT.—There is established in  
6 each State an independent citizens’ council to carry  
7 out the duties described in this section.

8 “(2) COMPOSITION.—

9 “(A) IN GENERAL.—Each council shall be  
10 composed of 9 members, appointed by the Gov-  
11 ernor of the State.

12 “(B) REPRESENTATION; RESIDENCE.—  
13 Each member of a council shall—

14 “(i) represent an individual region of  
15 the State, as determined by the Governor  
16 of the State in which the council is estab-  
17 lished; and

18 “(ii) reside in a small community of  
19 the State.

20 “(C) APPOINTMENT.—Before a State re-  
21 ceives funds under this subtitle, the State shall  
22 appoint members to the council for the fiscal  
23 year, except that not more than 1 member shall  
24 be an agent, employee, or official of the State  
25 government.

1           “(D) CHAIRPERSON.—Each council shall  
 2 select a chairperson from among the members  
 3 of the council, except that a member who is an  
 4 agent, employee, or official of the State govern-  
 5 ment shall not serve as chairperson.

6           “(E) FEDERAL REPRESENTATION.—An  
 7 agent, employee, or official of the Federal Gov-  
 8 ernment may participate in the activities of the  
 9 council—

10                   “(i) in an advisory capacity; and

11                   “(ii) at the invitation of the council.

12           “(3) SEARCH GRANTS.—

13           “(A) IN GENERAL.—Each council shall re-  
 14 view applications for, and recommend awards  
 15 of, SEARCH grants to small communities that  
 16 meet the eligibility criteria under subsection (c).

17           “(B) RECOMMENDATIONS.—In awarding a  
 18 SEARCH grant, a State—

19                   “(i) shall follow the recommendations  
 20 of the council of the State;

21                   “(ii) shall award the funds for any  
 22 recommended environmental project in a  
 23 timely and expeditious manner; and

24                   “(iii) shall not award a SEARCH  
 25 grant to a grantee or project in violation of

1           any law of the State (including a regula-  
2           tion).

3           “(C) NO MATCHING REQUIREMENT.—A  
4           small community that receives a SEARCH  
5           grant under this section shall not be required to  
6           provide matching funds.

7           “(e) SEARCH GRANTS FOR SMALL COMMU-  
8           NITIES.—

9           “(1) ELIGIBILITY.—A SEARCH grant shall be  
10          awarded under this section only to a small commu-  
11          nity for 1 or more environmental projects for which  
12          the small community—

13               “(A) needs funds to carry out initial feasi-  
14               bility or environmental studies before applying  
15               to traditional funding sources; or

16               “(B) demonstrates, to the satisfaction of  
17               the council, that the small community has been  
18               unable to obtain sufficient funding from tradi-  
19               tional funding sources.

20           “(2) APPLICATION.—

21               “(A) DATE.—The council shall establish  
22               such deadline by which small communities shall  
23               submit applications for grants under this sec-  
24               tion as will permit the council adequate time to

1 review and make recommendations relating to  
2 the applications.

3 “(B) LOCATION OF APPLICATION.—A  
4 small community shall submit an application  
5 described in subparagraph (A) to the council in  
6 the State in which the small community is lo-  
7 cated.

8 “(C) CONTENT OF APPLICATION.—An ap-  
9 plication described in subparagraph (A) shall  
10 include—

11 “(i) a description of the proposed en-  
12 vironmental project (including an expla-  
13 nation of how the project would assist the  
14 small community in complying with an en-  
15 vironmental law (including a regulation));

16 “(ii) an explanation of why the project  
17 is important to the small community;

18 “(iii) a description of all actions taken  
19 with respect to the project, including a de-  
20 scription of any attempt to secure funding  
21 and a description of demonstrated need for  
22 funding for the project, as of the date of  
23 the application; and

24 “(iv) a SEARCH grant application  
25 form provided by the council, completed

1           and with all required supporting docu-  
2           mentation.

3           “(3) REVIEW AND RECOMMENDATION.—

4           “(A) IN GENERAL.—Except as provided in  
5           subparagraph (B), not later than March 5 of  
6           each fiscal year, each council shall—

7           “(i) review all applications received  
8           under paragraph (2); and

9           “(ii) recommend for award SEARCH  
10          grants to small communities based on—

11          “(I) an evaluation of the eligi-  
12          bility criteria under paragraph (1);  
13          and

14          “(II) the content of the applica-  
15          tion.

16          “(B) EXTENSION OF DEADLINE.—The  
17          State may extend the deadline described in sub-  
18          paragraph (A) by not more than 10 days in a  
19          case in which the receipt of recommendations  
20          from a council under subparagraph (A)(ii) is  
21          delayed because of circumstances beyond the  
22          control of the council, as determined by the  
23          State.

24          “(4) UNEXPENDED FUNDS.—

1           “(A) IN GENERAL.—If, for any fiscal year,  
2           any unexpended funds remain after SEARCH  
3           grants are awarded under subsection (b)(3)(B),  
4           the council may repeat the application and re-  
5           view process so that any remaining funds may  
6           be recommended for award, and awarded, not  
7           later than July 30 of the fiscal year.

8           “(B) RETENTION OF FUNDS.—

9           “(i) IN GENERAL.—Any unexpended  
10          funds that are not awarded under sub-  
11          section (b)(3)(B) or subparagraph (A)  
12          shall be retained by the State for award  
13          during the following fiscal year.

14          “(ii) LIMITATION.—A State that accu-  
15          mulates a balance of unexpended funds de-  
16          scribed in clause (i) of more than  
17          \$3,000,000 shall be ineligible to apply for  
18          additional funds for SEARCH grants until  
19          such time as the State expends the portion  
20          of the balance that exceeds \$3,000,000.

21   **“SEC. 383C. REPORT.**

22          “Not later than September 1 of the first fiscal year  
23          for which a SEARCH grant is awarded by a council, and  
24          annually thereafter, the council shall submit to the Sec-  
25          retary a report that—

1           “(1) describes the number of SEARCH grants  
2           awarded during the fiscal year;

3           “(2) identifies each small community that re-  
4           ceived a SEARCH grant during the fiscal year;

5           “(3) describes the project or purpose for which  
6           each SEARCH grant was awarded, including a  
7           statement of the benefit to public health or the envi-  
8           ronment of the environmental project receiving the  
9           grant funds; and

10          “(4) describes the status of each project or por-  
11          tion of a project for which a SEARCH grant was  
12          awarded, including a project or portion of a project  
13          for which a SEARCH grant was awarded for any  
14          fiscal year before the fiscal year in which the report  
15          is submitted.

16   **“SEC. 383D. FUNDING.**

17          “(a) AUTHORIZATION OF APPROPRIATIONS.—There  
18          is authorized to be appropriated to carry out section  
19          383B(c) \$51,000,000, of which not to exceed \$1,000,000  
20          shall be used to make grants under section 383B(c)(3).

21          “(b) ACTUAL APPROPRIATION.—If funds to carry out  
22          section 383B(c) are made available for a fiscal year in an  
23          amount that is less than the amount authorized under  
24          subsection (a) for the fiscal year, the appropriated funds  
25          shall be divided equally among the 50 States.



1       “(c) UNUSED FUNDS.—If, for any fiscal year, a State  
 2 does not apply, or does not qualify, to receive funds under  
 3 section 383B(b), the funds that would have been made  
 4 available to the State under section 383B(c) on submis-  
 5 sion by the State of a successful application under section  
 6 383B(b) shall be redistributed for award under this sub-  
 7 title among States, the councils of which awarded 1 or  
 8 more SEARCH grants during the preceding fiscal year.

9       “(d) OTHER EXPENSES.—There are authorized to be  
 10 appropriated such sums as are necessary to carry out the  
 11 provisions of this subtitle (other than section 383B(c)).”.

12       **Subtitle D—Food, Agriculture, Con-**  
 13       **servation, and Trade Act of 1990**

14       **SEC. 641. ALTERNATIVE AGRICULTURAL RESEARCH AND**  
 15       **COMMERCIALIZATION CORPORATION.**

16       (a) REPEAL OF CORPORATION AUTHORIZATION.—  
 17 Subtitle G of title XVI of the Food, Agriculture, Conserva-  
 18 tion, and Trade Act of 1990 (7 U.S.C. 5901 et seq.) is  
 19 repealed.

20       (b) DISPOSITION OF ASSETS.—On the date of enact-  
 21 ment of this Act—

22               (1) the assets, both tangible and intangible, of  
 23 the Alternative Agricultural Research and Commer-  
 24 cialization Corporation (referred to in this section as  
 25 the “Corporation”), including the funds in the Alter-

1 native Agricultural Research and Commercialization  
2 Revolving Fund as of the date of enactment of this  
3 Act, are transferred to the Secretary of Agriculture;  
4 and

5 (2) notwithstanding the Federal Property and  
6 Administrative Services Act of 1949 (40 U.S.C. 471  
7 et seq.), the Secretary shall have authority to man-  
8 age and dispose of the assets transferred under  
9 paragraph (1) in a manner that, to the maximum  
10 extent practicable, provides the greatest return on  
11 investment.

12 (c) USE OF ASSETS.—

13 (1) IN GENERAL.—Funds transferred under  
14 subsection (b), and any income from assets or pro-  
15 ceeds from the sale of assets transferred under sub-  
16 section (b), shall be deposited into an account in the  
17 Treasury, and shall remain available to the Sec-  
18 retary until expended, without further appropriation,  
19 to pay—

20 (A) any outstanding claims or obligations  
21 of the Corporation; and

22 (B) the costs incurred by the Secretary in  
23 carrying out this section.

24 (2) FINAL DISPOSITION.—On final disposition  
25 of all assets transferred under subsection (b), any

1 funds remaining in the account described in para-  
2 graph (1) shall be transferred into miscellaneous re-  
3 cepts in the Treasury.

4 (d) CONFORMING AMENDMENTS.—

5 (1) The following provisions are repealed:

6 (A) Section 730 of the Federal Agriculture  
7 Improvement and Reform Act of 1996 (7  
8 U.S.C. 5902 note; Public Law 104–127).

9 (B) Section 9101(3)(Q) of title 31, United  
10 States Code.

11 (2) Section 401(c) of the Agricultural Research,  
12 Education, and Extension Reform Act of 1998 (7  
13 U.S.C. 7621(c)) is amended by striking paragraph  
14 (1) and inserting the following:

15 “(1) CRITICAL EMERGING ISSUES.—Subject to  
16 paragraph (2), the Secretary shall use the funds in  
17 the Account for research, extension, and education  
18 grants (referred to in this section as ‘grants’) to ad-  
19 dress critical emerging agricultural issues related  
20 to—

21 “(A) future food production;

22 “(B) environmental quality and natural re-  
23 source management; or

24 “(C) farm income.”.

1           (3) Section 793(c)(1)(A)(ii)(II) of the Federal  
2       Agriculture Improvement and Reform Act of 1996  
3       (7 U.S.C. 2204f(c)(1)(A)(ii)(II)) is amended by  
4       striking “subtitle G of title XVI and”.

5   **SEC. 642. TELEMEDICINE AND DISTANCE LEARNING SERV-**  
6                   **ICES IN RURAL AREAS.**

7       (a) IN GENERAL.—Section 2335A of the Food, Agri-  
8       culture, Conservation, and Trade Act of 1990 (7 U.S.C.  
9       950aaa–5) is amended by striking “2002” and inserting  
10      “2006”.

11      (b) CONFORMING AMENDMENT.—Section 1(b) of  
12      Public Law 102–551 (7 U.S.C. 950aaa note) is amended  
13      by striking “1997” and inserting “2006”.

14   **Subtitle E—Rural Electrification**  
15                   **Act of 1936**

16   **SEC. 651. GUARANTEES FOR BONDS AND NOTES ISSUED**  
17                   **FOR ELECTRIFICATION OR TELEPHONE PUR-**  
18                   **POSES.**

19      (a) IN GENERAL.—The Rural Electrification Act of  
20      1936 is amended by inserting after section 313 (7 U.S.C.  
21      940c) the following:

1 **“SEC. 313A. GUARANTEES FOR BONDS AND NOTES ISSUED**  
2 **FOR ELECTRIFICATION OR TELEPHONE PUR-**  
3 **POSES.**

4 “(a) IN GENERAL.—Subject to subsection (b), the  
5 Secretary may guarantee payments on bonds or notes  
6 issued by cooperative lenders if the proceeds of the bonds  
7 or notes are used for electrification or telephone purposes  
8 eligible for assistance under this Act.

9 “(b) LIMITATIONS.—

10 “(1) OUTSTANDING LOANS.—A lender shall not  
11 receive a guarantee under this section for a bond or  
12 note if, at the time of the guarantee, the total  
13 amount of such guaranteed bonds or notes out-  
14 standing of the lender would exceed the amount of  
15 outstanding loans of the lender for electrification or  
16 telephone purposes that have been made concu-  
17 rently with loans approved for such purposes under  
18 this Act.

19 “(2) GENERATION OF ELECTRICITY.—The Sec-  
20 retary shall not guarantee payment on a bond or  
21 note issued by a lender, the proceeds of which are  
22 used for the generation of electricity.

23 “(3) QUALIFICATIONS.—The Secretary may  
24 deny the request of a lender for the guarantee of a  
25 bond or note under this section if the Secretary de-  
26 termines that—

1           “(A) the lender does not have appropriate  
2 expertise or experience or is otherwise not  
3 qualified to make loans for electrification or  
4 telephone purposes; or

5           “(B) the bond or note issued by the lender  
6 is not of reasonable and sufficient quality.

7           “(4) INTEREST RATE REDUCTION.—

8           “(A) IN GENERAL.—Except as provided in  
9 subparagraph (B), a lender may not use any  
10 amount obtained from the reduction in funding  
11 costs as a result of the guarantee of a bond or  
12 note under this section to reduce the interest  
13 rate on a new or outstanding loan.

14           “(B) CONCURRENT LOANS.—A lender may  
15 use any amount described in subparagraph (A)  
16 to reduce the interest rate on a loan if the loan  
17 is—

18           “(i) approved by the Secretary after  
19 the date of enactment of this section;

20           “(ii) made by the lender for elec-  
21 trification or telephone purposes that are  
22 eligible for assistance under this Act; and

23           “(iii) made concurrently with a loan  
24 approved by the Secretary under this Act  
25 for such a purpose.

1           “(5) TOTAL AMOUNT.—The total amount of  
 2           guarantees outstanding under this section at any  
 3           time shall not exceed \$500,000,000.

4           “(c) FEES.—

5           “(1) IN GENERAL.—A lender that receives a  
 6           guarantee issued under this section on a bond or  
 7           note shall pay a fee to the Secretary.

8           “(2) AMOUNT.—The amount of a fee paid for  
 9           the guarantee of a bond or note under this section  
 10          shall be equal to 12.5 basis points of the amount of  
 11          the unpaid principal of the loan guaranteed under  
 12          this section.

13          “(3) PAYMENT.—A lender shall pay the fees re-  
 14          quired under this subsection on a semiannual basis.

15          “(4) RURAL ECONOMIC DEVELOPMENT SUB-  
 16          ACCOUNT.—Subject to subsection (e)(2), fees col-  
 17          lected under this subsection shall be—

18                 “(A) deposited into the rural economic de-  
 19                 velopment subaccount maintained under section  
 20                 313(b)(2)(A), to remain available until ex-  
 21                 pended; and

22                 “(B) used for the purposes described in  
 23                 section 313(b)(2)(B).

24          “(d) GUARANTEES.—

1           “(1) IN GENERAL.—A guarantee issued under  
2       this section shall—

3                   “(A) be for the full amount of a bond or  
4           note, including the amount of principal, inter-  
5           est, and call premiums;

6                   “(B) be fully assignable and transferable;  
7           and

8                   “(C) represent the full faith and credit of  
9           the United States.

10           “(2) LIMITATION.—To ensure that the Sec-  
11       retary has the resources necessary to properly exam-  
12       ine the proposed guarantees, the Secretary may es-  
13       tablish a limit on the number of guarantees issued  
14       under this section.

15           “(3) DEPARTMENT OPINION.—On the request  
16       of an eligible lender, the General Counsel of the De-  
17       partment of Agriculture shall provide the Secretary  
18       with an opinion regarding the validity and authority  
19       of a guarantee issued to the lender under this sec-  
20       tion.

21           “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
22       are authorized to be appropriated such sums as are nec-  
23       essary to cover the cost of providing guarantees of bonds  
24       and notes under this section.



1       “(f) TERMINATION.—The authority provided under  
2 this section shall terminate on September 30, 2006.”.

3       (b) ADMINISTRATION OF CUSHION OF CREDIT PAY-  
4 MENTS PROGRAM.—Section 313(b)(2)(B) of the Rural  
5 Electrification Act of 1936 (7 U.S.C. 940c)(b)(2)(B)) is  
6 amended by inserting “, acting through the Rural Utilities  
7 Service,” after “Secretary”.

8       (c) ADMINISTRATION.—

9           (1) REGULATIONS.—Not later than 180 days  
10 after the date of enactment of this Act, the Sec-  
11 retary of Agriculture shall promulgate regulations to  
12 carry out the amendments made by this section.

13           (2) IMPLEMENTATION.—Not later than 240  
14 days after the date of enactment of this Act, the  
15 Secretary shall implement the amendment made by  
16 this section.

17 **SEC. 652. EXPANSION OF 911 ACCESS.**

18 Title III of the Rural Electrification Act of 1936 (7  
19 U.S.C. 931 et seq.) is amended by adding the following:

20 **“SEC. 315. EXPANSION OF 911 ACCESS.**

21       “(a) IN GENERAL.—Subject to such terms and condi-  
22 tions as the Secretary may prescribe, the Secretary may  
23 make telephone loans under this title to State or local gov-  
24 ernments, Indian tribes (as defined in section 4 of the In-  
25 dian Self-Determination and Education Assistance Act

1 (25 U.S.C. 450b)), or other public entities for facilities  
 2 and equipment to expand 911 access in underserved rural  
 3 areas.

4 “(b) AUTHORIZATION OF APPROPRIATIONS.—There  
 5 are authorized to be appropriated such sums as are nec-  
 6 essary to carry out this section.”.

## 7 **Subtitle F—Miscellaneous**

### 8 **SEC. 661. SENATE CONFIRMATION REQUIREMENT FOR** 9 **RURAL UTILITIES SERVICE ADMINISTRATOR.**

10 (a) REPEAL.—Section 232 of the Department of Ag-  
 11 riculture Reorganization Act of 1994 (7 U.S.C. 6942(b))  
 12 is amended—

13 (1) by striking subsection (b); and

14 (2) by redesignating subsection (c) as sub-  
 15 section (b).

16 (b) SUCCESSION.—Any official who is serving as Ad-  
 17 ministrator of the Rural Utilities Service on the effective  
 18 date of this section and who was appointed by the Presi-  
 19 dent, by and with the advice and consent of the Senate—

20 (1) may be considered to be serving in the posi-  
 21 tion of Administrator of the Rural Utilities Service  
 22 as established by the Secretary; and

23 (2) shall be not be required to be reappointed  
 24 by the Secretary to that position by reason of the  
 25 enactment of this section.

# **Subtitle G—Effective Date**

## **SEC. 671. EFFECTIVE DATE.**

This title and the amendments made by this title take effect on October 1, 2002.

# **TITLE VII—AGRICULTURAL RE- SEARCH, EDUCATION, AND EXTENSION AND RELATED MATTERS**

## **Subtitle A—National Agricultural Research, Extension, and Teach- ing Policy Act of 1977**

### **SEC. 701. DEFINITIONS.**

(a) IN GENERAL.—Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended—

(1) by redesignating paragraphs (10) through (17) as paragraphs (11) through (18), respectively;

(2) by inserting after paragraph (9) the following:

“(10) INSULAR AREA.—The term ‘insular area’ means the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, the Re-

1 public of Palau, and the Virgin Islands of the  
 2 United States.”; and

3 (3) by striking paragraph (13) (as so redesign-  
 4 nated) and inserting the following:

5 “(13) STATE.—The term ‘State’ means any of  
 6 the States, the District of Columbia, and any insular  
 7 area.”.

8 (b) EFFECT OF AMENDMENTS.—The amendments  
 9 made by subsection (a) shall not affect any basis for dis-  
 10 tribution of funds by formula (in effect on the date of en-  
 11 actment of this Act) to the Federated States of Micro-  
 12 nesia, the Republic of the Marshall Islands, or the Repub-  
 13 lic of Palau.

14 **SEC. 702. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**  
 15 **SION, EDUCATION, AND ECONOMICS ADVI-**  
 16 **SORY BOARD.**

17 Section 1408(h) of the National Agricultural Re-  
 18 search, Extension, and Teaching Policy Act of 1977 (7  
 19 U.S.C. 3123(h)) is amended by striking “2002” and in-  
 20 serting “2006”.

21 **SEC. 703. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRI-**  
 22 **CULTURAL SCIENCES EDUCATION.**

23 Section 1417 of the National Agricultural Research,  
 24 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
 25 3152) is amended—

1 (1) in subsection (a)—

2 (A) by striking “and” after “economics,”;  
3 and

4 (B) by inserting “, and rural economic,  
5 community, and business development” before  
6 the period;

7 (2) in subsection (b)—

8 (A) in paragraph (1), by inserting “, or in  
9 rural economic, community, and business devel-  
10 opment” before the semicolon;

11 (B) in paragraph (2), by inserting “, or in  
12 rural economic, community, and business devel-  
13 opment” before the semicolon;

14 (C) in paragraph (3), by inserting “, or  
15 teaching programs emphasizing rural economic,  
16 community, and business development” before  
17 the semicolon;

18 (D) in paragraph (4), by inserting “, or  
19 programs emphasizing rural economic, commu-  
20 nity, and business development,” after “pro-  
21 grams”; and

22 (E) in paragraph (5), by inserting “, or  
23 professionals in rural economic, community, and  
24 business development” before the semicolon;

25 (3) in subsection (d)—

1 (A) in paragraph (1), by inserting “, or in  
2 rural economic, community, and business devel-  
3 opment,” after “sciences”; and

4 (B) in paragraph (2), by inserting “, or in  
5 the rural economic, community, and business  
6 development workforce,” after “workforce”; and

7 (4) in subsection (l), by striking “2002” and in-  
8 serting “2006”.

9 **SEC. 704. POLICY RESEARCH CENTERS.**

10 Section 1419A(d) of the National Agricultural Re-  
11 search, Extension, and Teaching Policy Act of 1977 (7  
12 U.S.C. 3155(d)) is amended by striking “2002” and in-  
13 serting “2006”.

14 **SEC. 705. NUTRITION EDUCATION PROGRAM.**

15 Section 1425(c)(3) of the National Agricultural Re-  
16 search, Extension, and Teaching Policy Act of 1977 (7  
17 U.S.C. 3175(c)(3)) is amended by striking “2002” and  
18 inserting “2006”.

19 **SEC. 706. ANIMAL HEALTH AND DISEASE RESEARCH PRO-**  
20 **GRAMS.**

21 Section 1433(a) of the National Agricultural Re-  
22 search, Extension, and Teaching Policy Act of 1977 (7  
23 U.S.C. 3195(a)) is amended in the first sentence by strik-  
24 ing “2002” and inserting “2006”.

1 **SEC. 707. EDUCATION GRANTS PROGRAMS FOR HISPANIC-**  
2 **SERVING INSTITUTIONS.**

3 Section 1455(c) of the National Agricultural Re-  
4 search, Extension, and Teaching Policy Act of 1977 (7  
5 U.S.C. 3241(c)) is amended by striking “2002” and in-  
6 serting “2006”.

7 **SEC. 708. COMPETITIVE GRANTS FOR INTERNATIONAL AG-**  
8 **RICULTURAL SCIENCE AND EDUCATION PRO-**  
9 **GRAMS.**

10 Section 1459A(c) of the National Agricultural Re-  
11 search, Extension, and Teaching Policy Act of 1977 (7  
12 U.S.C. 3292b(c)) is amended by striking “2002” and in-  
13 serting “2006”.

14 **SEC. 709. INDIRECT COSTS.**

15 Section 1462 of the National Agricultural Research,  
16 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
17 3310) is amended—

18 (1) by inserting “(a) IN GENERAL.—” before  
19 “Except”;

20 (2) by striking “19 percent” and inserting “the  
21 negotiated indirect cost rate established for an insti-  
22 tution by the cognizant Federal audit agency for the  
23 institution”; and

24 (3) by adding at the end the following:

25 “(b) EXCEPTION.—The limitation on indirect costs  
26 contained in subsection (a) shall not apply to a grant

1 awarded competitively under section 9 of the Small Busi-  
 2 ness Act (15 U.S.C. 638).”.

3 **SEC. 710. RESEARCH EQUIPMENT GRANTS.**

4 The National Agricultural Research, Extension, and  
 5 Teaching Policy Act of 1977 is amended by inserting after  
 6 section 1462 (7 U.S.C. 3310) the following:

7 **“SEC. 1462A. RESEARCH EQUIPMENT GRANTS.**

8 “(a) IN GENERAL.—The Secretary may make com-  
 9 petitive grants for the acquisition of special purpose sci-  
 10 entific research equipment for use in the food and agricul-  
 11 tural sciences programs of eligible institutions described  
 12 in subsection (b).

13 “(b) ELIGIBLE INSTITUTIONS.—The Secretary may  
 14 make a grant under this section to—

15 “(1) a college or university; or

16 “(2) a State cooperative institution.

17 “(c) MAXIMUM GRANT.—The amount of a grant  
 18 made to an eligible institution under this section shall not  
 19 exceed \$500,000.

20 “(d) PROHIBITION ON CHARGE OF EQUIPMENT AS  
 21 INDIRECT COSTS.—The cost of acquisition or depreciation  
 22 of equipment purchased with a grant under this section  
 23 shall not be—

24 “(1) charged as an indirect cost against another  
 25 Federal grant; or



1           “(2) included as part of the indirect cost pool  
2           for purposes of calculating the indirect cost rate of  
3           an eligible institution.

4           “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
5           is authorized to be appropriated to carry out this section  
6           \$10,000,000 for each of fiscal years 2003 through 2006.”.

7           **SEC. 711. AGRICULTURAL RESEARCH PROGRAMS.**

8           Section 1463 of the National Agricultural Research,  
9           Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
10          3311) is amended—

11           (1) in subsection (a), by striking  
12           “\$850,000,000 for each of the fiscal years 1991  
13           through 2002” and inserting “\$1,500,000,000 for  
14           each of fiscal years 2002 through 2006”; and

15           (2) in subsection (b), by striking “2002” and  
16           inserting “2006”.

17          **SEC. 712. EXTENSION EDUCATION.**

18          Section 1464 of the National Agricultural Research,  
19          Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
20          3312) is amended by striking “\$420,000,000” and all that  
21          follows and inserting the following: “\$500,000,000 for  
22          each of fiscal years 2003 through 2006.”.

1 **SEC. 713. SPECIAL AUTHORIZATION FOR BIOSECURITY**  
2 **PLANNING AND RESPONSE.**

3 Section 1465 of the National Agricultural Research,  
4 Extension, and Teaching Policy Act of 1977 (91 Stat.  
5 1018) is amended to read as follows:

6 **“SEC. 1465. SPECIAL AUTHORIZATION FOR BIOSECURITY**  
7 **PLANNING AND RESPONSE.**

8 “(a) AUTHORIZATION OF APPROPRIATIONS.—In ad-  
9 dition to amounts for agricultural research, extension, and  
10 education under this Act, there are authorized to be ap-  
11 propriated for agricultural research, education, and exten-  
12 sion activities for biosecurity planning and response such  
13 sums as are necessary for fiscal years 2003 through 2007.

14 “(b) USE OF FUNDS.—Using any authority available  
15 to the Secretary, the Secretary shall use funds made avail-  
16 able under this section to carry out agricultural research,  
17 education, and extension activities necessary—

18 “(1) to reduce the vulnerability of the United  
19 States food and agricultural system to chemical or  
20 biological attack;

21 “(2) to counter any such chemical or biological  
22 attack; or

23 “(3) to respond to any such chemical or biologi-  
24 cal attack.”.

1 **SEC. 714. AVAILABILITY OF COMPETITIVE GRANT FUNDS.**

2 The National Agricultural Research, Extension, and  
3 Teaching Policy Act of 1977 is amended by inserting after  
4 section 1469 (7 U.S.C. 3315) the following:

5 **“SEC. 1469A. AVAILABILITY OF COMPETITIVE GRANT**  
6 **FUNDS.**

7 “Except as otherwise provided by law, funds made  
8 available to the Secretary to carry out a competitive agri-  
9 cultural research, education, or extension grant program  
10 under this or any other Act shall be available for obliga-  
11 tion for a 2-year period beginning on October 1 of the  
12 fiscal year for which the funds are made available.”.

13 **SEC. 715. JOINT REQUESTS FOR PROPOSALS.**

14 (a) PURPOSES.—The purposes of this section are—

15 (1) to reduce the duplication of administrative  
16 functions relating to grant awards and administra-  
17 tion among Federal agencies conducting similar  
18 types of research, education, and extension pro-  
19 grams;

20 (2) to maximize the use of peer review re-  
21 sources in research, education, and extension pro-  
22 grams; and

23 (3) to reduce the burden on potential recipients  
24 that may offer similar proposals to receive competi-  
25 tive grants under different Federal programs in  
26 overlapping subject areas.

1 (b) AUTHORITY.—The National Agricultural Re-  
 2 search, Extension, and Teaching Policy Act of 1977 is  
 3 amended by inserting after section 1473A (7 U.S.C.  
 4 3319a) the following:

5 **“SEC. 1473B. JOINT REQUESTS FOR PROPOSALS.**

6 “(a) IN GENERAL.—In carrying out any competitive  
 7 agricultural research, education, or extension grant pro-  
 8 gram authorized under this or any other Act, the Sec-  
 9 retary may cooperate with 1 or more other Federal agen-  
 10 cies (including the National Science Foundation) in  
 11 issuing joint requests for proposals, awarding grants, and  
 12 administering grants, for similar or related research, edu-  
 13 cation, or extension projects or activities.

14 “(b) TRANSFER OF FUNDS.—

15 “(1) SECRETARY.—The Secretary may transfer  
 16 funds to, or receive funds from, a cooperating Fed-  
 17 eral agency for the purpose of carrying out the joint  
 18 request for proposals, making awards, or admin-  
 19 istering grants.

20 “(2) COOPERATING AGENCY.—The cooperating  
 21 Federal agency may transfer funds to, or receive  
 22 funds from, the Secretary for the purpose of car-  
 23 rying out the joint request for proposals, making  
 24 awards, or administering grants.

1           “(3) LIMITATIONS.—Funds transferred or re-  
2       ceived under this subsection shall be—

3           “(A) used only in accordance with the laws  
4       authorizing the appropriation of the funds; and

5           “(B) made available by grant only to re-  
6       cipients that are eligible to receive the grant  
7       under the laws.

8       “(c) ADMINISTRATION.—

9           “(1) SECRETARY.—The Secretary may delegate  
10      authority to issue requests for proposals, make grant  
11      awards, or administer grants, in whole or in part, to  
12      a cooperating Federal agency.

13          “(2) COOPERATING FEDERAL AGENCY.—The  
14      cooperating Federal agency may delegate to the Sec-  
15      retary authority to issue requests for proposals,  
16      make grant awards, or administer grants, in whole  
17      or in part.

18          “(d) REGULATIONS; RATES.—The Secretary and a  
19      cooperating Federal agency may agree to make applicable  
20      to recipients of grants—

21          “(1) the post-award grant administration regu-  
22      lations and indirect cost rates applicable to recipi-  
23      ents of grants from the Secretary; or

1           “(2) the post-award grant administration regu-  
2           lations and indirect cost rates applicable to recipi-  
3           ents of grants from the cooperating Federal agency.

4           “(e) JOINT PEER REVIEW PANELS.—Subject to sec-  
5           tion 1413B, the Secretary and a cooperating Federal  
6           agency may establish joint peer review panels for the pur-  
7           pose of evaluating grant proposals.”.

8   **SEC. 716. SUPPLEMENTAL AND ALTERNATIVE CROPS.**

9           Section 1473D(a) of the National Agricultural Re-  
10          search, Extension, and Teaching Policy Act of 1977 (7  
11          U.S.C. 3319d(a)) is amended by striking “2002” and in-  
12          serting “2006”.

13   **SEC. 717. AQUACULTURE.**

14          Section 1477 of the National Agricultural Research,  
15          Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
16          3324) is amended in the first sentence by striking “2002”  
17          and inserting “2006”.

18   **SEC. 718. RANGELAND RESEARCH.**

19          Section 1483(a) of the National Agricultural Re-  
20          search, Extension, and Teaching Policy Act of 1977 (7  
21          U.S.C. 3336(a)) is amended by striking “2002” and in-  
22          serting “2006”.

1 **Subtitle B—Food, Agriculture, Con-**  
2 **servation, and Trade Act of 1990**

3 **SEC. 731. NATIONAL GENETIC RESOURCES PROGRAM.**

4 Section 1635(b) of the Food, Agriculture, Conserva-  
5 tion, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amend-  
6 ed by striking “2002” and inserting “2006”.

7 **SEC. 732. HIGH-PRIORITY RESEARCH AND EXTENSION INI-**  
8 **TIATIVES.**

9 Section 1672(h) of the Food, Agriculture, Conserva-  
10 tion, and Trade Act of 1990 (7 U.S.C. 5925(h)) is amend-  
11 ed by striking “2002” and inserting “2006”.

12 **SEC. 733. NUTRIENT MANAGEMENT RESEARCH AND EXTEN-**  
13 **SION INITIATIVE.**

14 Section 1672A(g) of the Food, Agriculture, Conserva-  
15 tion, and Trade Act of 1990 (7 U.S.C. 5925a(g)) is  
16 amended by striking “2002” and inserting “2006”.

17 **SEC. 734. ORGANIC AGRICULTURE RESEARCH AND EXTEN-**  
18 **SION INITIATIVE.**

19 Section 1672B(e) of the Food, Agriculture, Conserva-  
20 tion, and Trade Act of 1990 (7 U.S.C. 5925b(e)) is  
21 amended by striking “2002” and inserting “2006”.

1 **SEC. 735. AGRICULTURAL TELECOMMUNICATIONS PRO-**  
 2 **GRAM.**

3 Section 1673(h) of the Food, Agriculture, Conserva-  
 4 tion, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amend-  
 5 ed by striking “2002” and inserting “2006”.

6 **SEC. 736. ASSISTIVE TECHNOLOGY PROGRAM FOR FARM-**  
 7 **ERS WITH DISABILITIES.**

8 Section 1680(c)(1) of the Food, Agriculture, Con-  
 9 servation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1))  
 10 is amended by striking “2002” and inserting “2006”.

11 **Subtitle C—Agricultural Research,**  
 12 **Extension, and Education Re-**  
 13 **form Act of 1998**

14 **SEC. 741. INITIATIVE FOR FUTURE AGRICULTURE AND**  
 15 **FOOD SYSTEMS.**

16 Section 401(b) of the Agricultural Research, Exten-  
 17 sion, and Education Reform Act of 1998 (7 U.S.C.  
 18 7621(b)) is amended—

19 (1) by striking “IN GENERAL.—” and inserting  
 20 “IN GENERAL.—

21 “(A) TRANSFERS FOR FISCAL YEARS 1998  
 22 THROUGH 2001.—”;

23 (2) by striking “2002” and inserting “2001”;

24 and

25 (3) by adding at the end the following:



1                   “(B) TRANSFERS FOR FISCAL YEARS 2003  
 2                   THROUGH 2006.—On October 1, 2002, and each  
 3                   October 1 thereafter through October 1, 2005,  
 4                   out of any funds in the Treasury not otherwise  
 5                   appropriated, the Secretary of the Treasury  
 6                   shall transfer \$360,000,000 to the Account.”.

7   **SEC. 742. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL**  
 8                   **PRODUCT QUALITY RESEARCH.**

9           Section 402(g) of the Agricultural Research, Exten-  
 10   sion, and Education Reform Act of 1998 (7 U.S.C.  
 11   7622(g)) is amended by striking “2002” and inserting  
 12   “2006”.

13   **SEC. 743. PRECISION AGRICULTURE.**

14           Section 403(i)(1) of the Agricultural Research, Ex-  
 15   tension, and Education Reform Act of 1998 (7 U.S.C.  
 16   7623(i)(1)) is amended by striking “2002” and inserting  
 17   “2006”.

18   **SEC. 744. BIOBASED PRODUCTS.**

19           Section 404 of the Agricultural Research, Extension,  
 20   and Education Reform Act of 1998 (7 U.S.C. 7624) is  
 21   amended—

22                   (1) in subsection (e)(2), by striking “2001” and  
 23                   inserting “2006”; and

24                   (2) in subsection (h), by striking “2002” and  
 25                   inserting “2006”.

1 **SEC. 745. THOMAS JEFFERSON INITIATIVE FOR CROP DI-**  
 2 **VERSIFICATION.**

3 Section 405(h) of the Agricultural Research, Exten-  
 4 sion, and Education Reform Act of 1998 (7 U.S.C.  
 5 7625(h)) is amended by striking “2002” and inserting  
 6 “2006”.

7 **SEC. 746. INTEGRATED RESEARCH, EDUCATION, AND EX-**  
 8 **TENSION COMPETITIVE GRANTS PROGRAM.**

9 Section 406 of the Agricultural Research, Extension,  
 10 and Education Reform Act of 1998 (7 U.S.C. 7626) is  
 11 amended—

12 (1) by redesignating subsection (e) as sub-  
 13 section (f);

14 (2) by inserting after subsection (d) the fol-  
 15 lowing:

16 “(e) TERM OF GRANT.—A grant under this section  
 17 shall have a term of not more than 5 years.”; and

18 (3) in subsection (f) (as so redesignated), by  
 19 striking “2002” and inserting “2006”.

20 **SEC. 747. SUPPORT FOR RESEARCH REGARDING DISEASES**  
 21 **OF WHEAT AND BARLEY CAUSED BY FUSAR-**  
 22 **IUM GRAMINEARUM.**

23 Section 408(e) of the Agricultural Research, Exten-  
 24 sion, and Education Reform Act of 1998 (7 U.S.C.  
 25 7628(e)) is amended by striking “2002” and inserting  
 26 “2006”.

1 **SEC. 748. OFFICE OF PEST MANAGEMENT POLICY.**

2 Section 614(f) of the Agricultural Research, Exten-  
 3 sion, and Education Reform Act of 1998 (7 U.S.C.  
 4 7653(f)) is amended by striking “2002” and inserting  
 5 “2006”.

6 **Subtitle D—Land-Grant Funding**

7 **CHAPTER 1—1862 INSTITUTIONS**

8 **SEC. 751. CARRYOVER.**

9 Section 7 of the Hatch Act of 1887 (7 U.S.C. 361g)  
 10 is amended by striking subsection (c) and inserting the  
 11 following:

12 “(c) CARRYOVER.—

13 “(1) IN GENERAL.—The balance of any annual  
 14 funds provided under this Act to a State agricultural  
 15 experiment station for a fiscal year that remains un-  
 16 expended at the end of the fiscal year may be car-  
 17 ried over for use during the following fiscal year.

18 “(2) FAILURE TO EXPEND FULL ALLOT-  
 19 MENT.—If any unexpended balance carried over by  
 20 a State is not expended by the end of the second fis-  
 21 cal year, an amount equal to the unexpended bal-  
 22 ance shall be deducted from the next succeeding an-  
 23 nual allotment to the State.”.

1 **SEC. 752. REPORTING OF TECHNOLOGY TRANSFER ACTIVITIES.**  
 2 **TIES.**

3 Section 7(e) of the Hatch Act of 1887 (7 U.S.C.  
 4 361g(e)) is amended by adding at the end the following:

5 “(5) The technology transfer activities con-  
 6 ducted with respect to federally funded agricultural  
 7 research.”.

8 **SEC. 753. COMPLIANCE WITH MULTISTATE AND INTEGRA-**  
 9 **TION REQUIREMENTS.**

10 (a) **MULTISTATE.**—Section 3 of the Smith-Lever Act  
 11 (7 U.S.C. 343) is amended by striking subsection (h) and  
 12 inserting the following:

13 “(h) **MULTISTATE COOPERATIVE EXTENSION AC-**  
 14 **TIVITIES.**—

15 “(1) **DEFINITION OF MULTISTATE ACTIVITY.**—  
 16 In this subsection, the term ‘multistate activity’  
 17 means a cooperative extension activity in which 2 or  
 18 more States cooperate to resolve problems that con-  
 19 cern more than 1 State.

20 “(2) **REQUIREMENT.**—

21 “(A) **IN GENERAL.**—To receive funding  
 22 under subsections (b) and (c) for a fiscal year,  
 23 a State, in the previous fiscal year, must have  
 24 expended on multistate activities an amount  
 25 equivalent to not less than 25 percent of the

1 funds paid to the State under subsections (b)  
2 and (c) for the previous fiscal year.

3 “(B) DETERMINATION OF AMOUNT.—In  
4 determining compliance with subparagraph (A),  
5 the Secretary shall include all cooperative exten-  
6 sion funds expended by the State in the pre-  
7 vious fiscal year, including Federal, State, and  
8 local funds.

9 “(3) REDUCTION OF PERCENTAGE.—The Sec-  
10 retary may reduce the minimum percentage required  
11 to be expended for multistate activities under para-  
12 graph (2) by a State in a case of hardship, infeasibility,  
13 or other similar circumstances beyond the  
14 control of the State, as determined by the Secretary.

15 “(4) PLAN OF WORK.—The State shall include  
16 in the plan of work of the State required under sec-  
17 tion 4 a description of the manner in which the  
18 State will meet the requirements of this subsection.

19 “(5) APPLICABILITY.—This subsection does not  
20 apply to funds provided—

21 “(A) to a 1994 Institution (as defined in  
22 section 532 of the Equity in Educational Land-  
23 Grant Status Act of 1994 (7 U.S.C. 301 note;  
24 Public Law 103–382)); or

1                   “(B) to the Commonwealth of Puerto Rico,  
2                   the Virgin Islands, or Guam.”.

3           (b) INTEGRATED.—Section 3 of the Hatch Act of  
4 1887 (7 U.S.C. 361c) is amended by striking subsection  
5 (i) and inserting the following:

6           “(i) INTEGRATED RESEARCH AND EXTENSION AC-  
7 TIVITIES.—

8           “(1) IN GENERAL.—

9                   “(A) REQUIREMENT.—To receive funding  
10 under this Act and subsections (b) and (c) of  
11 section 3 of the Smith-Lever Act (7 U.S.C.  
12 343) for a fiscal year, a State, in the previous  
13 fiscal year, must have expended on activities  
14 that integrate cooperative research and exten-  
15 sion (referred to in this section as ‘integrated  
16 activities’) an amount equivalent to not less  
17 than 25 percent of the funds paid to the State  
18 under this section and subsections (b) and (c)  
19 of section 3 of the Smith-Lever Act (7 U.S.C.  
20 343) for the previous fiscal year.

21                   “(B) DETERMINATION OF AMOUNT.—In  
22 determining compliance with subparagraph (A),  
23 the Secretary shall include all cooperative re-  
24 search and extension funds expended by the

1 State in the prior fiscal year, including Federal,  
2 State, and local funds.

3 “(2) REDUCTION OF PERCENTAGE.—The Sec-  
4 retary may reduce the minimum percentage required  
5 to be expended for integrated activities under para-  
6 graph (1) by a State in a case of hardship, infeasibility,  
7 or other similar circumstances beyond the  
8 control of the State, as determined by the Secretary.

9 “(3) PLAN OF WORK.—The State shall include  
10 in the plan of work of the State required under sec-  
11 tion 7 of this Act and under section 4 of the Smith-  
12 Lever Act (7 U.S.C. 344), as applicable, a descrip-  
13 tion of the manner in which the State will meet the  
14 requirements of this subsection.

15 “(4) APPLICABILITY.—This subsection does not  
16 apply to funds provided—

17 “(A) to a 1994 Institution (as defined in  
18 section 532 of the Equity in Educational Land-  
19 Grant Status Act of 1994 (7 U.S.C. 301 note;  
20 Public Law 103–382)); or

21 “(B) to the Commonwealth of Puerto Rico,  
22 the Virgin Islands, or Guam.

23 “(5) RELATIONSHIP TO OTHER REQUIRE-  
24 MENTS.—Funds described in paragraph (1)(B) that  
25 a State uses to calculate the required amount of ex-

1       penditures for integrated activities under paragraph  
 2       (1)(A) may also be used in the same fiscal year to  
 3       calculate the amount of expenditures for multistate  
 4       activities required under subsection (c)(3) of this  
 5       section and section 3(h) of the Smith-Lever Act (7  
 6       U.S.C. 343(h)).”.

7       (c) EFFECTIVE DATE.—The amendments made by  
 8       this section take effect on October 1, 2002.

## 9           **CHAPTER 2—1994 INSTITUTIONS**

### 10       **SEC. 754. EXTENSION AT 1994 INSTITUTIONS.**

11       Section 3(b) of the Smith-Lever Act (7 U.S.C.  
 12       343(b)) is amended by striking paragraph (3) and insert-  
 13       ing the following:

14           “(3) EXTENSION AT 1994 INSTITUTIONS.—

15           “(A) IN GENERAL.—There are authorized  
 16           to be appropriated for fiscal year 2002 and  
 17           each subsequent fiscal year, for payment to  
 18           1994 Institutions (as defined in section 532 of  
 19           the Equity in Educational Land-Grant Status  
 20           Act of 1994 (7 U.S.C. 301 note; Public Law  
 21           103–382)), such sums as are necessary for the  
 22           purposes set forth in section 2, to remain avail-  
 23           able until expended.

24           “(B) DISTRIBUTION.—Amounts made  
 25           available under subparagraph (A)—



1 “(i) shall be distributed on the basis  
 2 of a formula to be developed and imple-  
 3 mented by the Secretary, in consultation  
 4 with the 1994 Institutions; and

5 “(ii) may include payments for exten-  
 6 sion activities carried out during 1 or more  
 7 fiscal years.

8 “(C) COOPERATIVE AGREEMENT.—In ac-  
 9 cordance with such regulations as the Secretary  
 10 may promulgate, a 1994 Institution may ad-  
 11 minister funds received under this paragraph  
 12 through a cooperative agreement with an 1862  
 13 Institution or an 1890 Institution (as those  
 14 terms are defined in section 2 of the Agricul-  
 15 tural Research, Extension, and Education Re-  
 16 form Act of 1998 (7 U.S.C. 7601)).”.

17 **SEC. 755. EQUITY IN EDUCATIONAL LAND-GRANT STATUS**  
 18 **ACT OF 1994.**

19 (a) TECHNICAL AMENDMENT TO REFLECT NAME  
 20 CHANGES.—Section 532 of the Equity in Educational  
 21 Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Pub-  
 22 lic Law 103–382) is amended by striking paragraphs (1)  
 23 through (30) and inserting the following:

24 “(1) Bay Mills Community College.

25 “(2) Blackfeet Community College.

- 1 “(3) Cankdeska Cikana Community College.
- 2 “(4) College of Menominee Nation.
- 3 “(5) Crownpoint Institute of Technology.
- 4 “(6) D-Q University.
- 5 “(7) Diné College.
- 6 “(8) Dull Knife Memorial College.
- 7 “(9) Fond du Lac Tribal and Community Col-  
8 lege.
- 9 “(10) Fort Belknap College.
- 10 “(11) Fort Berthold Community College.
- 11 “(12) Fort Peck Community College.
- 12 “(13) Haskell Indian Nations University.
- 13 “(14) Institute of American Indian and Alaska  
14 Native Culture and Arts Development.
- 15 “(15) Lac Courte Oreilles Ojibwa Community  
16 College.
- 17 “(16) Leech Lake Tribal College.
- 18 “(17) Little Big Horn College.
- 19 “(18) Little Priest Tribal College.
- 20 “(19) Nebraska Indian Community College.
- 21 “(20) Northwest Indian College.
- 22 “(21) Oglala Lakota College.
- 23 “(22) Salish Kootenai College.
- 24 “(23) Sinte Gleska University.
- 25 “(24) Sisseton Wahpeton Community College.

1           “(25) Si Tanka/Huron University.

2           “(26) Sitting Bull College.

3           “(27) Southwestern Indian Polytechnic Insti-  
4       tute.

5           “(28) Stone Child College.

6           “(29) Turtle Mountain Community College.

7           “(30) United Tribes Technical College.

8           “(31) White Earth Tribal and Community Col-  
9       lege.”.

10       (b) ACCREDITATION REQUIREMENT FOR RESEARCH  
11 GRANTS.—Section 533(a)(3) of the Equity in Educational  
12 Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Pub-  
13 lic Law 103–382) is amended by striking “sections 534  
14 and 535” and inserting “sections 534, 535, and 536”.

15       (c) LAND-GRANT STATUS FOR 1994 INSTITU-  
16 TIONS.—Section 533(b) of the Equity in Educational  
17 Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Pub-  
18 lic Law 103–382) is amended by striking “\$4,600,000 for  
19 each of fiscal years 1996 through 2002” and inserting  
20 “such sums as are necessary for each of fiscal years 2002  
21 through 2006”.

22       (d) CHANGE OF INDIAN STUDENT COUNT FOR-  
23 MULA.—Section 533(c)(4)(A) of the Equity in Edu-  
24 cational Land-Grant Status Act of 1994 (7 U.S.C. 301  
25 note; Public Law 103–382) is amended by striking “(as

1 defined in section 390(3) of the Carl D. Perkins Voca-  
 2 tional and Applied Technology Education Act (20 U.S.C.  
 3 2397h(3)) for each 1994 Institution for the fiscal year”  
 4 and inserting “(as defined in section 2(a) of the Tribally  
 5 Controlled College or University Assistance Act of 1978  
 6 (25 U.S.C. 1801(a)))”.

7 (e) INCREASE IN INSTITUTIONAL PAYMENTS.—Sec-  
 8 tion 534(a)(1)(A) of the Equity in Educational Land-  
 9 Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law  
 10 103–382) is amended by striking “\$50,000” and inserting  
 11 “\$100,000”.

12 (f) INSTITUTIONAL CAPACITY BUILDING GRANTS.—  
 13 Section 535 of the Equity in Educational Land-Grant Sta-  
 14 tus Act of 1994 (7 U.S.C. 301 note; Public Law 103–  
 15 382) is amended—

16 (1) in subsection (b)(1), by striking “2002”  
 17 and inserting “2006”; and

18 (2) in subsection (c), by striking “\$1,700,000  
 19 for each of fiscal years 1996 through 2002” and in-  
 20 serting “such sums as are necessary for each of fis-  
 21 cal years 2002 through 2006”.

22 (g) RESEARCH GRANTS.—Section 536(c) of the Eq-  
 23 uity in Educational Land-Grant Status Act of 1994 (7  
 24 U.S.C. 301 note; Public Law 103–382) is amended by  
 25 striking “2002” and inserting “2006”.

1 **SEC. 756. ELIGIBILITY FOR INTEGRATED GRANTS PRO-**  
 2 **GRAM.**

3 Section 406(b) of the Agricultural Research, Exten-  
 4 sion, and Education Reform Act of 1998 (7 U.S.C.  
 5 7626(b)) is amended by inserting “and 1994 Institutions”  
 6 before “on a competitive basis”.

7 **CHAPTER 3—1890 INSTITUTIONS**

8 **SEC. 757. AUTHORIZATION PERCENTAGES FOR RESEARCH**  
 9 **AND EXTENSION FORMULA FUNDS.**

10 (a) EXTENSION.—Section 1444(a) of the National  
 11 Agricultural Research, Extension, and Teaching Policy  
 12 Act of 1977 (7 U.S.C. 3221(a)) is amended—

13 (1) by striking the second sentence; and

14 (2) in the third sentence, by striking “Begin-  
 15 ning” through “6 per centum” and inserting “Be-  
 16 ginning with fiscal year 2002, there shall be appro-  
 17 priated under this section for each fiscal year an  
 18 amount that is not less than 15 percent”.

19 (b) RESEARCH.—Section 1445(a) of the National Ag-  
 20 ricultural Research, Extension, and Teaching Policy Act  
 21 of 1977 (7 U.S.C. 3222(a)) is amended—

22 (1) by striking “(a) There” and inserting the  
 23 following:

24 “(a) AUTHORIZATION OF APPROPRIATIONS.—

25 “(1) IN GENERAL.—There”;

1           (2) by striking the second sentence and insert-  
2           ing the following:

3           “(2) MINIMUM AMOUNT.—Beginning with fiscal  
4           year 2002, there shall be appropriated under this  
5           section for each fiscal year an amount that is not  
6           less than 25 percent of the total appropriations for  
7           the fiscal year under section 3 of the Hatch Act of  
8           1887 (7 U.S.C. 361c).”;

9           (3) by striking “Funds appropriated” and in-  
10          serting the following:

11          “(3) USES.—Funds appropriated”;

12          (4) by striking “The eligible” and inserting the  
13          following:

14          “(4) COORDINATION.—The eligible”; and

15          (5) by striking “No more” and inserting the  
16          following:

17          “(5) CARRYOVER.—No more”.

18 **SEC. 758. CARRYOVER.**

19          Section 1445(a) of the National Agricultural Re-  
20          search, Extension, and Teaching Policy Act of 1977 (7  
21          U.S.C. 3222(a) (as amended by section 757(b)) is amend-  
22          ed by striking paragraph (5) and inserting the following:

23          “(5) CARRYOVER.—

24                  “(A) IN GENERAL.—The balance of any  
25                  annual funds provided to an eligible institution

1           for a fiscal year under this section that remains  
2           unexpended at the end of the fiscal year may  
3           be carried over for use during the following fis-  
4           cal year.

5           “(B)   FAILURE   TO   EXPEND   FULL  
6           AMOUNT.—If any unexpended balance carried  
7           over by an eligible institution is not expended  
8           by the end of the second fiscal year, an amount  
9           equal to the unexpended balance shall be de-  
10          ducted from the next succeeding annual allot-  
11          ment to the eligible institution.”.

12   **SEC. 759. REPORTING OF TECHNOLOGY TRANSFER ACTIVI-**  
13           **TIES.**

14          Section 1445(c)(3) of the National Agriculture Re-  
15   search, Extension, and Teaching Policy Act of 1977 (7  
16   U.S.C. 3222(c)(3)) is amended by adding at the end the  
17   following:

18           “(F)   The technology transfer activities  
19           conducted with respect to federally-funded agri-  
20           cultural research.”.

1 **SEC. 760. GRANTS TO UPGRADE AGRICULTURAL AND FOOD**  
 2 **SCIENCES FACILITIES AT 1890 LAND-GRANT**  
 3 **COLLEGES, INCLUDING TUSKEGEE UNIVER-**  
 4 **SITY.**

5 Section 1447(b) of the National Agricultural Re-  
 6 search, Extension, and Teaching Policy Act of 1977 (7  
 7 U.S.C. 3222b(b)) is amended by striking “\$15,000,000  
 8 for each of fiscal years 1996 through 2002” and inserting  
 9 “\$25,000,000 for each of fiscal years 2002 through  
 10 2006”.

11 **SEC. 761. NATIONAL RESEARCH AND TRAINING CENTEN-**  
 12 **NIAL CENTERS.**

13 Section 1448 of the National Agricultural Research,  
 14 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
 15 3222c) is amended by striking “2002” each place it ap-  
 16 pears in subsections (a)(1) and (f) and inserting “2006”.

17 **SEC. 762. MATCHING FUNDS REQUIREMENT FOR RE-**  
 18 **SEARCH AND EXTENSION ACTIVITIES.**

19 Section 1449 of the National Agricultural Research,  
 20 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
 21 3222d) is amended by striking subsections (c) and (d) and  
 22 inserting the following:

23 “(c) MATCHING FORMULA.—

24 “(1) IN GENERAL.—For each of fiscal years  
 25 2003 through 2006, the State shall provide match-  
 26 ing funds from non-Federal sources.



1           “(2) AMOUNT.—The amount of the matching  
2 funds shall be equal to not less than—

3           “(A) for fiscal year 2003, 60 percent of  
4 the formula funds to be distributed to the eligi-  
5 ble institution; and

6           “(B) for each of fiscal years 2004 through  
7 2006, 110 percent of the amount required  
8 under this paragraph for the previous fiscal  
9 year.

10          “(d) WAIVERS.—Notwithstanding subsection (f), for  
11 any of fiscal years 2003 through 2006, the Secretary may  
12 waive the matching funds requirement under subsection  
13 (c) for any amount above the level of 50 percent for an  
14 eligible institution of a State if the Secretary determines  
15 that the State will be unlikely to meet the matching re-  
16 quirement.”.

17   **CHAPTER 4—LAND-GRANT INSTITUTIONS**

18   **SEC. 771. DISTANCE EDUCATION GRANTS PROGRAM FOR**

19                   **INSULAR AREA LAND-GRANT INSTITUTIONS.**

20          The National Agricultural Research, Extension, and  
21 Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is  
22 amended by adding at the end the following:

**“Subtitle N—Land Grant  
Institutions in Insular Areas**

**“SEC. 1484. DISTANCE EDUCATION GRANTS FOR INSULAR  
AREAS.**

“(a) IN GENERAL.—The Secretary may make competitive or noncompetitive grants to State cooperative institutions in insular areas to strengthen the capacity of State cooperative institutions to carry out distance food and agricultural education programs using digital network technologies.

“(b) USE.—Grants made under this section shall be used—

“(1) to acquire the equipment, instrumentation, networking capability, hardware and software, digital network technology, and infrastructure necessary to teach students and teachers about technology in the classroom;

“(2) to develop and provide educational services (including faculty development) to prepare students or faculty seeking a degree or certificate that is approved by the State or a regional accrediting body recognized by the Secretary of Education;

“(3) to provide teacher education, library and media specialist training, and preschool and teacher aid certification to individuals who seek to acquire or

1 enhance technology skills in order to use technology  
2 in the classroom or instructional process;

3 “(4) to implement a joint project to provide  
4 education regarding technology in the classroom  
5 with a local educational agency, community-based  
6 organization, national nonprofit organization, or  
7 business, including a minority business or a business  
8 located in a HUBZone established under section 31  
9 of the Small Business Act (15 U.S.C. 657a); or

10 “(5) to provide leadership development to ad-  
11 ministrators, board members, and faculty of eligible  
12 institutions with institutional responsibility for tech-  
13 nology education.

14 “(c) LIMITATION ON USE OF GRANT FUNDS.—  
15 Funds provided under this section shall not be used for  
16 the planning, acquisition, construction, rehabilitation, or  
17 repair of a building or facility.

18 “(d) ADMINISTRATION OF PROGRAM.—The Secretary  
19 may carry out this section in a manner that recognizes  
20 the different needs and opportunities for State cooperative  
21 institutions in the Atlantic and Pacific Oceans.

22 “(e) MATCHING REQUIREMENT.—

23 “(1) IN GENERAL.—The Secretary may estab-  
24 lishment a requirement that a State cooperative in-  
25 stitution receiving a grant under this section shall

1 provide matching funds from non-Federal sources in  
 2 an amount equal to not less than 50 percent of the  
 3 grant.

4 “(2) WAIVERS.—If the Secretary establishes a  
 5 matching requirement under paragraph (1), the re-  
 6 quirement shall include an option for the Secretary  
 7 to waive the requirement for an insular area State  
 8 cooperative institution for any fiscal year if the Sec-  
 9 retary determines that the institution will be unlikely  
 10 to meet the matching requirement for the fiscal  
 11 year.

12 “(f) AUTHORIZATION OF APPROPRIATIONS.—There  
 13 is authorized to be appropriated to carry out this section  
 14 \$4,000,000 for each of fiscal years 2002 through 2006.”.

15 **SEC. 772. MATCHING REQUIREMENTS FOR RESEARCH AND**  
 16 **EXTENSION FORMULA FUNDS FOR INSULAR**  
 17 **AREA LAND-GRANT INSTITUTIONS.**

18 (a) EXPERIMENT STATIONS.—Section 3(d) of the  
 19 Hatch Act of 1887 (7 U.S.C. 361c(d)) is amended by  
 20 striking paragraph (4) and inserting the following:

21 “(4) EXCEPTION FOR INSULAR AREAS.—

22 “(A) IN GENERAL.—Effective beginning  
 23 for fiscal year 2003, in lieu of the matching  
 24 funds requirement of paragraph (1), the insular  
 25 areas of the Commonwealth of Puerto Rico,

1           Guam, and the Virgin Islands of the United  
 2           States shall provide matching funds from non-  
 3           Federal sources in an amount equal to not less  
 4           than 50 percent of the formula funds distrib-  
 5           uted by the Secretary to each of the insular  
 6           areas, respectively, under this section.

7                   “(B) WAIVERS.—The Secretary may waive  
 8           the matching fund requirement of subparagraph  
 9           (A) for any fiscal year if the Secretary deter-  
 10          mines that the government of the insular area  
 11          will be unlikely to meet the matching require-  
 12          ment for the fiscal year.”.

13          (b) COOPERATIVE AGRICULTURAL EXTENSION.—  
 14          Section 3(e) of the Smith-Lever Act (7 U.S.C. 343(e)) is  
 15          amended by striking paragraph (4) and inserting the fol-  
 16          lowing:

17                   “(4) EXCEPTION FOR INSULAR AREAS.—

18                   “(A) IN GENERAL.—Effective beginning  
 19           for fiscal year 2003, in lieu of the matching  
 20           funds requirement of paragraph (1), the insular  
 21           areas of the Commonwealth of Puerto Rico,  
 22           Guam, and the Virgin Islands of the United  
 23           States shall provide matching funds from non-  
 24           Federal sources in an amount equal to not less  
 25           than 50 percent of the formula funds distrib-

1           uted by the Secretary to each of the insular  
2           areas, respectively, under this section.

3                   “(B) WAIVERS.—The Secretary may waive  
4           the matching fund requirement of subparagraph  
5           (A) for any fiscal year if the Secretary deter-  
6           mines that the government of the insular area  
7           will be unlikely to meet the matching require-  
8           ment for the fiscal year.”.

9   **SEC. 773. EDUCATION GRANTS FOR PACIFIC ISLANDER**  
10                   **SERVING INSTITUTIONS.**

11           Section 759(b) of the Agriculture, Rural Develop-  
12   ment, Food and Drug Administration, and Related Agen-  
13   cies Appropriations Act, 2000 (7 U.S.C. 3242(b)), is  
14   amended—

15                   (1) by redesignating paragraphs (1), (2), and  
16           (3) as paragraphs (2), (3), and (4), respectively;

17                   (2) by inserting after the subsection heading  
18   the following:

19                   “(1) DEFINITION OF PACIFIC ISLANDER SERV-  
20   ING INSTITUTION.—In this subsection, the term ‘Pa-  
21   cific Islander serving institution’ includes—

22                           “(A) a land-grant institution in Guam,  
23                   American Samoa, or the Commonwealth of the  
24                   Northern Mariana Islands; and

25                           “(B) the College of Micronesia.”;

1           (3) in paragraph (2) (as so redesignated), by  
 2           striking “Native Hawaiian serving institutions” the  
 3           second place it appears and inserting “Native Ha-  
 4           waiian serving institutions or Pacific Islander serv-  
 5           ing institutions; and

6           (4) in paragraph (3) (as so redesignated)—

7                   (A) by striking “Native Hawaiian serving  
 8                   institutions” each place it appears and inserting  
 9                   “Native Hawaiian serving institutions or Pacific  
 10                  Islander serving institutions”; and

11                  (B) in subparagraph (C), by inserting  
 12                  “and affiliated Pacific insular areas served by  
 13                  Pacific Islander serving institutions” after  
 14                  “United States”.

## 15   **CHAPTER 5—LAND-GRANT INSTITUTIONS**

### 16   **SEC. 776. PRIORITY-SETTING PROCESS.**

17           Section 102(c) of the Agricultural Research, Exten-  
 18           sion, and Education Reform Act of 1998 (7 U.S.C.  
 19           7612(c)) is amended—

20                  (1) by striking “establish and implement a  
 21                  process for obtaining” and inserting “obtain public”;  
 22                  and

23                  (2) by striking the period at the end and insert-  
 24                  ing the following: “through a process that reflects  
 25                  transparency and opportunity for input from diverse

1 agricultural crop, geographic, and cultural commu-  
 2 nities.”.

### 3 **Subtitle E—Other Laws**

#### 4 **SEC. 781. CRITICAL AGRICULTURAL MATERIALS.**

5 Section 16(a) of the Critical Agricultural Materials  
 6 Act (7 U.S.C. 178n(a)) is amended by striking “2002”  
 7 and inserting “2006”.

#### 8 **SEC. 782. RESEARCH FACILITIES.**

9 Section 6(a) of the Research Facilities Act (7 U.S.C.  
 10 390d(a)) is amended by striking “2002” and inserting  
 11 “2006”.

#### 12 **SEC. 783. FEDERAL AGRICULTURAL RESEARCH FACILITIES.**

13 Section 1431 of the National Agricultural Research,  
 14 Extension, and Teaching Policy Act Amendments of 1985  
 15 (Public Law 99–198; 99 Stat. 1556) is amended by strik-  
 16 ing “2002” and inserting “2006”.

#### 17 **SEC. 784. COMPETITIVE, SPECIAL, AND FACILITIES RE-** 18 **SEARCH GRANTS.**

19 The Competitive, Special, and Facilities Research  
 20 Grant Act (7 U.S.C. 450i) is amended in subsection (b)—

21 (1) in paragraph (2), by striking “in—” and all  
 22 that follows and inserting “, as those needs are de-  
 23 termined by the Secretary, in consultation with the  
 24 National Agricultural Research, Extension, Edu-  
 25 cation, and Economics Advisory Board, not later



1       than July 1 of each fiscal year for the purposes of  
2       the following fiscal year.”; and

3               (2) in paragraph (10), by striking “2002” and  
4       inserting “2006”.

5   **SEC. 785. RISK MANAGEMENT EDUCATION FOR BEGINNING**  
6               **FARMERS AND RANCHERS.**

7       Section 524(a)(3) of the Federal Crop Insurance Act  
8   (7 U.S.C. 1524(a)(3)) is amended by striking subpara-  
9   graph (A) and inserting the following:

10               “(A) **AUTHORITY.**— The Secretary, acting  
11       through the Cooperative State Research, Edu-  
12       cation, and Extension Service, shall establish a  
13       program under which competitive grants are  
14       made to qualified public and private entities  
15       (including land-grant colleges and universities,  
16       cooperative extension services, colleges or uni-  
17       versities, and community colleges), as deter-  
18       mined by the Secretary, for the purpose of—

19               “(i) educating producers generally  
20       about the full range of risk management  
21       activities, including futures, options, agri-  
22       cultural trade options, crop insurance, cash  
23       forward contracting, debt reduction, pro-  
24       duction diversification, farm resources risk

1 reduction, and other risk management  
2 strategies; or

3 “(ii) educating beginning farmers and  
4 ranchers—

5 “(I) in the areas described in  
6 clause (i); and

7 “(II) in risk management strate-  
8 gies, as part of programs that are  
9 specifically targeted at beginning  
10 farmers and ranchers.”.

11 **SEC. 786. AQUACULTURE.**

12 Section 10 of the National Aquaculture Act of 1980  
13 (16 U.S.C. 2809) is amended by striking “2002” each  
14 place it appears and inserting “2006”.

15 **SEC. 787. BIOMASS RESEARCH AND DEVELOPMENT.**

16 Sections 307(f) and 310 of the Biomass Research  
17 and Development Act of 2000 (7 U.S.C. 7624 note; Public  
18 Law 106–224) are amended by striking “2005” each place  
19 it appears and inserting “2006”.

20 **Subtitle F—New Authorities**

21 **SEC. 791. DEFINITIONS.**

22 In this subtitle:

23 (1) DEPARTMENT.—The term “Department”  
24 means the Department of Agriculture.

1           (2) SECRETARY.—The term “Secretary” means  
2       the Secretary of Agriculture.

3   **SEC. 792. REGULATORY AND INSPECTION RESEARCH.**

4       (a) DEFINITIONS.—In this section:

5           (1) INSPECTION OR REGULATORY AGENCY OF  
6       THE DEPARTMENT.—The term “inspection or regu-  
7       latory agency of the Department” includes—

8           (A) the Animal and Plant Health Inspec-  
9       tion Service;

10          (B) the Food Safety and Inspection Serv-  
11       ice;

12          (C) the Grain Inspection, Packers, and  
13       Stockyards Administration; and

14          (D) the Agricultural Marketing Service.

15       (2) URGENT APPLIED RESEARCH NEEDS.—The  
16       term “urgent, applied research needs” includes re-  
17       search necessary to carry out—

18           (A) agricultural marketing programs;

19           (B) programs to protect the animal and  
20       plant resources of the United States; and

21           (C) educational programs or special studies  
22       to improve the safety of the food supply of the  
23       United States.

1 (b) TIMELY COST-EFFECTIVE RESEARCH.—To meet  
2 the urgent applied research needs of inspection or regu-  
3 latory agencies of the Department, the Secretary—

4 (1) may use a public or private source; and

5 (2) shall use the most practicable source to pro-  
6 vide timely, cost-effective means of providing the re-  
7 search.

8 (c) CONFLICTS OF INTEREST.—The Secretary shall  
9 establish guidelines to prevent any conflict of interest that  
10 may arise if an inspection or regulatory agency of the De-  
11 partment obtains research from any Federal agency the  
12 work or technology transfer efforts of which are funded  
13 in part by an industry subject to the jurisdiction of the  
14 inspection or regulatory agency of the Department.

15 (d) REGULATIONS.—The Secretary may promulgate  
16 such regulations as are necessary to carry out this section.

17 **SEC. 793. EMERGENCY RESEARCH TRANSFER AUTHORITY.**

18 (a) IN GENERAL.—Subject to subsection (b), in addi-  
19 tion to any other authority that the Secretary may have  
20 to transfer appropriated funds, the Secretary may transfer  
21 up to 2 percent of any appropriation made available to  
22 an office or agency of the Department for a fiscal year  
23 for agricultural research, extension, marketing, animal  
24 and plant health, nutrition, food safety, nutrition edu-  
25 cation, or forestry programs to any other appropriation

1 for an office or agency of the Department for emergency  
2 research, extension, or education activities needed to ad-  
3 dress imminent threats to animal and plant health, food  
4 safety, or human nutrition, including bioterrorism.

5 (b) LIMITATIONS.—The Secretary may transfer  
6 funds under subsection (a) only—

7 (1) on a determination by the Secretary that  
8 the need is so imminent that the need will not be  
9 timely met by annual, supplemental, or emergency  
10 appropriations;

11 (2) in an aggregate amount that does not ex-  
12 ceed \$5,000,000 for any fiscal year; and

13 (3) with the approval of the Director of the Of-  
14 fice of Management and Budget.

15 **SEC. 794. REVIEW OF AGRICULTURAL RESEARCH SERVICE.**

16 (a) IN GENERAL.—The Secretary shall conduct a re-  
17 view of the purpose, efficiency, effectiveness, and impact  
18 on agricultural research of the Agricultural Research  
19 Service.

20 (b) ADMINISTRATION.—In conducting the review, the  
21 Secretary shall use persons outside the Department,  
22 including—

23 (1) Federal scientists;

24 (2) college and university faculty;

25 (3) private and nonprofit scientists; or

1           (4) other persons familiar with the Agricultural  
2       Research Service and the role of the Service in con-  
3       ducting agricultural research in the United States.

4       (c) REPORT.—Not later than September 30, 2004,  
5       the Secretary shall submit to the Committee on Agri-  
6       culture of the House of Representatives and the Com-  
7       mittee on Agriculture, Nutrition, and Forestry of the Sen-  
8       ate a report on the results of the review.

9       (d) FUNDING.—The Secretary shall use to carry out  
10      this section not more than 0.1 percent of the amount of  
11      appropriations made available to the Agricultural Re-  
12      search Service for each of fiscal years 2002 through 2004.

13   **SEC. 795. TECHNOLOGY TRANSFER FOR RURAL DEVELOP-**  
14                   **MENT.**

15      (a) IN GENERAL.—The Secretary, acting through the  
16      Rural Business-Cooperative Service and the Agricultural  
17      Research Service, shall establish a program to promote the  
18      availability of technology transfer opportunities of the De-  
19      partment to rural businesses and residents.

20      (b) COMPONENTS OF PROGRAM.—The program shall,  
21      to the maximum extent practicable, include—

22           (1) a website featuring information about the  
23      program and technology transfer opportunities of  
24      the Department;

1           (2) an annual joint program for State economic  
 2           development directors and Department rural devel-  
 3           opment directors regarding technology transfer op-  
 4           portunities of the Agricultural Research Service and  
 5           other offices and agencies of the Department; and

6           (3) technology transfer opportunity programs at  
 7           each Agricultural Research Service laboratory, con-  
 8           ducted at least biennially, which may include partici-  
 9           pation by other local Federal laboratories, as appro-  
 10          pate.

11          (c) FUNDING.—The Secretary shall use to carry out  
 12          this section—

13           (1) amounts made available to the Agricultural  
 14          Research Service; and

15           (2) amounts made available to the Rural Busi-  
 16          ness-Cooperative Service for salaries and expenses.

17      **SEC. 796. BEGINNING FARMER AND RANCHER DEVELOP-**  
 18                              **MENT PROGRAM.**

19          (a) DEFINITION OF BEGINNING FARMER OR RANCH-  
 20          ER.—In this section, the term “beginning farmer or  
 21          rancher” means a person that—

22           (1)(A) has not operated a farm or ranch; or

23           (B) has operated a farm or ranch for not more  
 24          than 10 years; and

1           (2) meets such other criteria as the Secretary  
2       may establish.

3       (b) PROGRAM.—The Secretary shall establish a be-  
4       ginning farmer and rancher development program to fos-  
5       ter training, education, outreach, and technical assistance  
6       initiatives for beginning farmers or ranchers.

7       (c) GRANTS.—

8           (1) IN GENERAL.—In carrying out this section,  
9       the Secretary may make competitive grants to sup-  
10      port new and established local and regional training,  
11      education, outreach, and technical assistance initia-  
12      tives for beginning farmers or ranchers, including  
13      programs and services (as appropriate) relating to—

14           (A) mentoring, apprenticeships, and in-  
15      ternships;

16           (B) resources and referral;

17           (C) assisting beginning farmers or ranch-  
18      ers in acquiring land from retiring farmers and  
19      ranchers;

20           (D) innovative farm and ranch transfer  
21      strategies;

22           (E) entrepreneurship and business train-  
23      ing;

24           (F) model land leasing contracts;

25           (G) financial management training;



- 1 (H) whole farm planning;
- 2 (I) conservation assistance;
- 3 (J) risk management education;
- 4 (K) diversification and marketing strate-
- 5 gies;
- 6 (L) curriculum development;
- 7 (M) understanding the impact of combina-
- 8 tion and globalization;
- 9 (N) basic livestock and crop farming prac-
- 10 tices;
- 11 (O) the acquisition and management of ag-
- 12 ricultural credit;
- 13 (P) environmental compliance;
- 14 (Q) information processing; and
- 15 (R) other similar subject areas of use to
- 16 beginning farmers or ranchers.
- 17 (2) ELIGIBILITY.—To be eligible to receive a
- 18 grant under this subsection, the recipient shall be a
- 19 collaborative State, local, or regionally-based net-
- 20 work or partnership of public or private entities,
- 21 which may include—
- 22 (A) a State cooperative extension service;
- 23 (B) a Federal or State agency;
- 24 (C) a community-based and nongovern-
- 25 mental organization;

1 (D) a college or university (including an  
2 institution awarding an associate's degree); or

3 (E) any other appropriate entities, as de-  
4 termined by the Secretary.

5 (3) TERM OF GRANT.—The term of a grant  
6 under this subsection shall not exceed 3 years.

7 (4) MATCHING REQUIREMENT.—To be eligible  
8 to receive a grant under this subsection, a recipient  
9 shall provide a match in the form of cash or in-kind  
10 contributions in an amount equal to 25 percent of  
11 the funds provided by the grant.

12 (5) SET-ASIDE.—Not less than 25 percent of  
13 funds used to carry out this subsection for a fiscal  
14 year shall be used to support programs and services  
15 that address the needs of limited resource and so-  
16 cially disadvantaged beginning farmers or ranchers.

17 (6) PROHIBITION.—A grant made under this  
18 subsection may not be used for the planning, repair,  
19 rehabilitation, acquisition, or construction of a build-  
20 ing or facility.

21 (d) EDUCATION TEAMS.—

22 (1) IN GENERAL.—The Secretary shall estab-  
23 lish, and develop curricula for, beginning farmer and  
24 rancher education teams to conduct educational pro-  
25 grams and workshops for beginning farmers or

1 ranchers in diverse geographical areas of the United  
2 States.

3 (2) CURRICULUM.—In developing the curricula  
4 for the education teams, the Secretary shall, to the  
5 maximum extent practicable, include modules tai-  
6 lored to specific audiences of beginning farmers or  
7 ranchers, based on crop or regional diversity.

8 (3) COMPOSITION.—In establishing an edu-  
9 cation team for a specific program or workshop, the  
10 Secretary shall, to the maximum extent  
11 practicable—

12 (A) obtain the short-term services of spe-  
13 cialists with knowledge and expertise in pro-  
14 grams serving beginning farmers or ranchers;  
15 and

16 (B) use officers and employees of the De-  
17 partment with direct experience in programs of  
18 the Department that may be taught as part of  
19 the curriculum for the program or workshop.

20 (4) COOPERATION.—In carrying out this sub-  
21 section, the Secretary shall cooperate, to the max-  
22 imum extent practicable, with—

23 (A) State cooperative extension services;

24 (B) Federal and State agencies;

1 (C) community-based and nongovernmental  
2 organizations;

3 (D) colleges and universities (including  
4 community colleges) or foundations maintained  
5 by a college or university; and

6 (E) other appropriate entities, as deter-  
7 mined by the Secretary.

8 (e) CURRICULUM AND TRAINING CLEARINGHOUSE.—

9 The Secretary shall establish an online clearinghouse that  
10 makes available to beginning farmers or ranchers edu-  
11 cation curricula and training materials and programs,  
12 which may include online courses for direct use by begin-  
13 ning farmers or ranchers.

14 (f) STAKEHOLDER INPUT.—In carrying out this sec-  
15 tion, the Secretary shall seek stakeholder input from—

16 (1) beginning farmers and ranchers; and

17 (2) national, State, and local organizations, and  
18 other persons, with expertise in operating beginning  
19 farmer and rancher programs.

20 (g) PARTICIPATION BY OTHER FARMERS AND

21 RANCHERS.—Nothing in this section prohibits the Sec-  
22 retary from allowing farmers and ranchers who are not  
23 beginning farmers or ranchers from participating in pro-  
24 grams authorized under this section to the extent that the  
25 Secretary determines that such participation is appro-

1 priate and will not detract from the primary purpose of  
2 educating beginning farmers and ranchers.

3 (h) FUNDING.—

4 (1) FEES AND CONTRIBUTIONS.—

5 (A) IN GENERAL.—The Secretary may—

6 (i) charge a fee to cover all or part of  
7 the costs of curriculum development and  
8 the delivery of programs or workshops pro-  
9 vided by—

10 (I) a beginning farmer and  
11 rancher education team established  
12 under subsection (d); or

13 (II) the online clearinghouse es-  
14 tablished under subsection (e); and

15 (ii) notwithstanding chapter 63 of  
16 title 31, United States Code, accept con-  
17 tributions from cooperating entities to  
18 cover all or part of the costs for the deliv-  
19 ery of programs or workshops by the be-  
20 ginning farmer and rancher education  
21 teams.

22 (B) AVAILABILITY.—Fees and contribu-  
23 tions received by the Secretary under subpara-  
24 graph (A) shall—

1 (i) be deposited in the account that  
 2 incurred the costs to carry out this section,  
 3 to remain available to the Secretary with-  
 4 out further appropriation and remain  
 5 available until expended; and

6 (ii) be in addition to any funds made  
 7 available under paragraph (2).

8 (2) AUTHORIZATION OF APPROPRIATIONS.—

9 There is authorized to be appropriated to carry out  
 10 this section \$10,000,000 for each of fiscal years  
 11 2002 through 2006.

12 **SEC. 797. SENSE OF CONGRESS REGARDING DOUBLING OF**  
 13 **FUNDING FOR AGRICULTURAL RESEARCH**  
 14 **AND INCREASING CAPACITY FOR RESEARCH**  
 15 **ON BIOSECURITY AND ANIMAL AND PLANT**  
 16 **HEALTH DISEASES.**

17 (a) DOUBLING OF FUNDING FOR AGRICULTURAL RE-  
 18 SEARCH.—It is the sense of Congress that—

19 (1) Federal funding for food and agricultural  
 20 research has been essentially constant for 2 decades,  
 21 putting at risk the scientific base on which food and  
 22 agricultural advances have been made;

23 (2) the resulting increase in the relative propor-  
 24 tion of private sector, industry investments in food  
 25 and agricultural research has led to questions about

1 the independence and objectivity of research and  
 2 outreach conducted by the Federal and university re-  
 3 search sectors; and

4 (3) funding for food and agricultural research  
 5 should be at least doubled over the next 5 fiscal  
 6 years—

7 (A) to restore the balance between public  
 8 and private sector funding for food and agricul-  
 9 tural research; and

10 (B) to maintain the scientific base on  
 11 which food and agricultural advances are made.

12 (b) INCREASING CAPACITY FOR RESEARCH ON BIO-  
 13 SECURITY AND ANIMAL AND PLANT HEALTH DIS-  
 14 EASES.—It is the sense of Congress that funding for the  
 15 Agricultural Research Service, the Animal and Plant  
 16 Health Inspection Service, and other agencies of the De-  
 17 partment of Agriculture with responsibilities for biosecu-  
 18 rity should be increased as necessary to improve the capac-  
 19 ity of the agencies to conduct research and analysis of,  
 20 and respond to, bioterrorism and animal and plant dis-  
 21 eases.

22 **SEC. 798. RURAL POLICY RESEARCH.**

23 (a) IN GENERAL.—The Secretary may award com-  
 24 petitive research grants for policy research and analysis  
 25 of rural issues relating to—

1           (1) rural sociology;

2           (2) effects of demographic change, including  
3       aging population, outmigration, and labor resources;

4           (3) needs of groups of rural citizens, including  
5       senior citizens, families, youth, children, and socially  
6       disadvantaged individuals;

7           (4) rural community development;

8           (5) rural infrastructure, including water and  
9       waste, community facilities, telecommunications,  
10      electricity, and high-speed broadband services;

11          (6) rural business development, including cred-  
12      it, venture capital, cooperatives, and value-added en-  
13      terprises;

14          (7) farm management, including strategic plan-  
15      ning, business and marketing opportunities, risk  
16      management, natural resources and environmental  
17      management, and intergenerational transfer strate-  
18      gies;

19          (8) rural education and extension programs, in-  
20      cluding methods of delivery, availability of resources,  
21      and use of distance learning; and

22          (9) rural health, including mental health, on-  
23      farm safety, and food safety.

24      (b) REQUIREMENTS.—In making grants under this  
25   section, the Secretary shall—



1           (1) solicit and consider public input from per-  
2       sons who conduct or use agricultural research, ex-  
3       tension, education, or rural development programs;  
4       and

5           (2) ensure that funded proposals will provide  
6       high-quality research that may be of use to public  
7       policymakers and private entities in making deci-  
8       sions that affect development in rural areas.

9       (c) ELIGIBLE GRANTEES.—The Secretary may make  
10   a grant under this section to—

11           (1) an individual;

12           (2) a college or university or a research founda-  
13       tion maintained by a college or university;

14           (3) a State cooperative institution;

15           (4) a community college;

16           (5) a nonprofit organization, institution, or as-  
17       sociation;

18           (6) a business association;

19           (7) an agency of a State, local, or tribal govern-  
20       ment; or

21           (8) a regional partnership of public and private  
22       agencies.

23       (d) TERM.—A grant under this section shall have a  
24       term that does not exceed 5 years.

25       (e) MATCHING FUNDS.—

1           (1) IN GENERAL.—Subject to paragraph (2),  
 2           the Secretary may require as a condition of the  
 3           grant that the grant funding be matched, in whole  
 4           or in part, with matching funds from a non-Federal  
 5           source.

6           (2) BUSINESS ASSOCIATIONS.—The Secretary  
 7           shall require that a grant to a business association  
 8           be matched with equal matching funds from a non-  
 9           Federal source.

10          (f) ADMINISTRATIVE COSTS.—The Secretary may use  
 11          not more than 4 percent of the funds made available for  
 12          grants under this section to pay administrative costs in-  
 13          curred by the Secretary in carrying out this section.

14          (g) AUTHORIZATION OF APPROPRIATIONS.—

15               (1) IN GENERAL.—There are authorized to be  
 16               appropriated such sums as are necessary to carry  
 17               out this section.

18               (2) AVAILABILITY OF FUNDS.—Funds for  
 19               grants under this section shall be available to the  
 20               Secretary for obligation for a 2-year period.

21 **SEC. 798A. PRIORITY FOR FARMERS AND RANCHERS PAR-**  
 22 **TICIPATING IN CONSERVATION PROGRAMS.**

23          In carrying out new on-farm research or extension  
 24          programs or projects authorized by this Act or any Act  
 25          enacted after the date of enactment of this Act, the Sec-

1 retary of Agriculture shall give priority to using farms or  
 2 ranches of farmers or ranchers that participate in Federal  
 3 agricultural conservation programs.

## 4 **Subtitle G—Administration**

### 5 **SEC. 799. EFFECT OF AMENDMENTS.**

6 (a) IN GENERAL.—Except as otherwise specifically  
 7 provided in this title and notwithstanding any other provi-  
 8 sion of law, this title and the amendments made by this  
 9 title shall not affect the authority of the Secretary of Agri-  
 10 culture to carry out a research, extension, or education  
 11 program for any of the 1996 through 2002 fiscal years  
 12 under a provision of law in effect immediately before the  
 13 enactment of this Act.

14 (b) LIABILITY.—A provision of this title or an  
 15 amendment made by this title shall not affect the liability  
 16 of any person under any provision of law as in effect im-  
 17 mediately before the enactment of this Act.

## 18 **TITLE VIII—FORESTRY**

### 19 **SEC. 801. OFFICE OF INTERNATIONAL FORESTRY.**

20 Section 2405(d) of the Global Climate Change Pre-  
 21 vention Act of 1990 (7 U.S.C. 6704(d)) is amended by  
 22 striking “2002” and inserting “2006”.

### 23 **SEC. 802. RENEWABLE RESOURCES EXTENSION ACTIVITIES.**

24 (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
 25 6 of the Renewable Resources Extension Act of 1978 (16

1 U.S.C. 1675) is amended in the first sentence by striking  
2 “2002” and inserting “2006”.

3 (b) EFFECTIVE DATE.—Section 8 of the Renewable  
4 Resources Extension Act of 1978 (16 U.S.C. 1671 note;  
5 Public Law 95–306) is amended by striking “2000” and  
6 inserting “2006”.

7 **SEC. 803. FORESTRY INCENTIVES PROGRAM.**

8 Section 4(j) of the Cooperative Forestry Assistance  
9 Act of 1978 (16 U.S.C. 2103(j)) is amended by striking  
10 “2002” and inserting “2006”.

11 **SEC. 804. SUSTAINABLE FORESTRY ASSISTANCE PROGRAM.**

12 The Cooperative Forestry Assistance Act of 1978 is  
13 amended by striking section 6 (16 U.S.C. 2103b) and in-  
14 serting the following:

15 **“SEC. 6. SUSTAINABLE FORESTRY ASSISTANCE PROGRAM.**

16 **“(a) FINDINGS AND PURPOSES.—**

17 **“(1) FINDINGS.—Congress finds that—**

18 **“(A) the United States is becoming in-**  
19 **creasingly dependent on nonindustrial private**  
20 **forest land to supply necessary market com-**  
21 **modities and nonmarket values;**

22 **“(B) there is a strong demand for ex-**  
23 **panded assistance programs for owners of non-**  
24 **industrial private forest land because the major-**

1           ity of the wood supply of the United States  
2           comes from nonindustrial private forest land;

3           “(C) the soil and water and air quality of  
4           the United States would be maintained and im-  
5           proved through good stewardship of nonindus-  
6           trial private forest land;

7           “(D) the products and services resulting  
8           from stewardship of nonindustrial private forest  
9           land provide income and employment that con-  
10          tribute to the economic health and diversity of  
11          rural communities;

12          “(E) catastrophic wildfires threaten human  
13          lives, property, forests, and other resources;

14          “(F) Federal and State cooperation in for-  
15          est fire prevention and control has proven effec-  
16          tive and valuable because properly managed for-  
17          est stands are less susceptible to catastrophic  
18          fire, as demonstrated by the catastrophic fire  
19          seasons of 1998 and 2000;

20          “(G) owners of private nonindustrial forest  
21          land are being faced with increased pressure to  
22          make that land available for development and  
23          other uses;

24          “(H)(i) complex, long-rotation forest in-  
25          vestments, including sustainable hardwood man-

1           agement are often the most difficult commit-  
2           ments for owners of small areas of nonindus-  
3           trial private forest land; and

4           “(ii) such investments in a small area of  
5           nonindustrial private forest land should receive  
6           consideration equal to that given to owners of  
7           larger areas of nonindustrial private forest land  
8           under cost-share programs; and

9           “(I) the investment of a single Federal dol-  
10          lar in State and private forestry programs is es-  
11          timated to leverage, on the average, \$9 from  
12          State, local, and private sources.

13          “(2) PURPOSES.—The purposes of this section  
14          are—

15               “(A) to strengthen the commitment of the  
16               Secretary to sustainable forestry; and

17               “(B) to establish a coordinated and cooper-  
18               ative Federal, State, and local sustainable for-  
19               estry program for the establishment, manage-  
20               ment, maintenance, enhancement, and restora-  
21               tion of forests on nonindustrial private forest  
22               land.

23          “(b) DEFINITIONS.—In this section:

1           “(1) COMMITTEE.—The term ‘Committee’  
2 means a State Forest Stewardship Coordinating  
3 Committee.

4           “(2) INDIAN TRIBE.—The term ‘Indian tribe’  
5 has the meaning given the term in section 4 of the  
6 Indian Self-Determination and Education Assistance  
7 Act (25 U.S.C. 450b).

8           “(3) INITIATIVE.—The term ‘initiative’ means  
9 the Sustainable Forestry Assistance Program estab-  
10 lished under subsection (c)(1).

11           “(4) MANAGEMENT PLAN.—The term ‘manage-  
12 ment plan’ means a stewardship, forest, or stand  
13 management plan submitted under subsection  
14 (f)(3)(A).

15           “(5) NONINDUSTRIAL PRIVATE FOREST  
16 LAND.—The term ‘nonindustrial private forest land’  
17 means rural land, as determined by the Secretary,  
18 that—

19                   “(A)(i) has existing tree cover; or

20                   “(ii) is suitable for growing trees; and

21                   “(B) is owned by any nonindustrial private  
22 individual, group, association, corporation, In-  
23 dian tribe, or other private legal entity.

24           “(6) OWNER.—The term ‘owner’ means an  
25 owner of nonindustrial private forest land.

1           “(7) STATE FORESTER.—The term ‘State for-  
 2           ester’ means the director or other head of a State  
 3           forestry agency (or an equivalent State official).

4           “(c) ESTABLISHMENT.—

5           “(1) IN GENERAL.—In consultation with State  
 6           foresters, the Secretary shall establish a sustainable  
 7           forestry assistance program to—

8                   “(A) provide financial, technical, edu-  
 9                   cational, and related assistance to State for-  
 10                  esters; and

11                   “(B) encourage the long-term sustain-  
 12                  ability of nonindustrial private forest land in  
 13                  the United States by assisting the owners of  
 14                  nonindustrial private forest land in more ac-  
 15                  tively managing the nonindustrial private forest  
 16                  land and related resources of those owners  
 17                  through the use of State, Federal, and private  
 18                  sector resource management expertise, financial  
 19                  assistance, and educational programs.

20           “(2) COORDINATION.—The Secretary shall im-  
 21           plement the initiative in coordination with—

22                   “(A) the Committees; and

23                   “(B) State foresters.

24           “(d) STATE PRIORITY PLAN.—As a condition of re-  
 25           ceipt of funding under the initiative, a State shall develop,



1 in consultation with the committee of the State, and sub-  
 2 mit to the Secretary, a 5-year plan that describes the  
 3 funding priorities of the State in meeting the goals of the  
 4 initiative.

5 “(e) OBJECTIVES.—In implementing the initiative,  
 6 the Secretary shall allocate resources of the Secretary  
 7 among States in accordance with subsection (k) to ensure,  
 8 in accordance with the plan of each State described in sub-  
 9 section (d)—

10 “(1) the investment in practices to establish, re-  
 11 store, protect, manage, maintain, and enhance the  
 12 health and productivity of the nonindustrial private  
 13 forest land in the United States;

14 “(2) the occurrence of afforestation, reforest-  
 15 ation, improvement of poorly stocked stands, timber  
 16 stand improvement, practices necessary to improve  
 17 seedling growth and survival, and growth enhance-  
 18 ment practices as needed to enhance and sustain the  
 19 long-term productivity of timber and nontimber for-  
 20 est resources to—

21 “(A) meet projected public demand for for-  
 22 est resources; and

23 “(B) provide environmental benefits;

24 “(3) the protection of riparian buffers and for-  
 25 est wetland;

1           “(4) the preservation of fish and wildlife habi-  
2       tat;

3           “(5) the enhancement of soil and water quality;

4           “(6) through the use of agroforestry practices,  
5       the reduction of soil erosion and maintenance of soil  
6       quality;

7           “(7) the maintenance and enhancement of the  
8       forest landbase;

9           “(8) the reduction of the threat of catastrophic  
10      wildfires; and

11          “(9) the preservation of aesthetic quality and  
12      opportunities for outdoor recreation.

13      “(f) ELIGIBILITY.—

14          “(1) CONDITIONS.—

15              “(A) IN GENERAL.—An owner shall be eli-  
16      gible to receive cost-share assistance under the  
17      initiative if the owner—

18                  “(i) agrees to develop and implement,  
19              in cooperation with, and with the approval  
20              of, the State forester (or the head of a pri-  
21              vate sector program in consultation with  
22              the State forester), a management plan (or  
23              other written plan) that addresses site-spe-  
24              cific activities and practices;

1 “(ii) agrees to implement approved ac-  
 2 tivities in accordance with a management  
 3 plan for a period of not less than 10 years,  
 4 unless the State forester approves a modi-  
 5 fication to the management plan; and

6 “(iii) except as provided in subpara-  
 7 graph (B), owns not more than 1,000  
 8 acres of nonindustrial private forest land.

9 “(B) EXCEPTION FOR SIGNIFICANT PUB-  
 10 LIC BENEFITS.—Subject to paragraph (2), the  
 11 Secretary may approve the provision of cost-  
 12 share assistance to an owner that owns more  
 13 than 1,000 acres of nonindustrial private forest  
 14 land if the Secretary, in consultation with the  
 15 appropriate Committee, determines that signifi-  
 16 cant public benefits will accrue as a result of  
 17 the approval.

18 “(2) LIMITATIONS.—

19 “(A) QUANTITY OF LAND.—The Secretary  
 20 shall not approve the provision of cost-share as-  
 21 sistance under paragraph (1) to any owner that  
 22 owns more than 5,000 acres of nonindustrial  
 23 private forest land.

24 “(B) DUPLICATIVE ASSISTANCE.—An  
 25 owner shall receive no cost-share assistance for

1 management of nonindustrial private forest  
2 land under this section if the owner receives  
3 cost-share assistance for that land under the  
4 forestry incentives program under section 4.

5 “(3) MANAGEMENT PLAN.—An owner that  
6 seeks to enroll nonindustrial private forest land in  
7 the initiative shall—

8 “(A) submit to the State forester a man-  
9 agement plan that—

10 “(i) meets the requirements of this  
11 section; and

12 “(ii)(I) is prepared by a professional  
13 resource manager;

14 “(II) identifies and describes projects  
15 and activities to be carried out by the  
16 owner to protect soil, water, range, aes-  
17 thetic quality, recreation, timber, water,  
18 wetland, and fish and wildlife resources on  
19 the land in a manner that is compatible  
20 with the objectives of the owner; and

21 “(III) is approved by the State for-  
22 ester; and

23 “(B) agree that all projects and activities  
24 conducted on the land shall be consistent with  
25 the management plan.

1           “(4) STATE PRIORITIES.—The Secretary, in  
2           consultation with the appropriate State forester and  
3           Committee, may establish State priorities for cost  
4           sharing under the initiative that will promote the  
5           forest management objectives of the State.

6           “(g) APPROVED ACTIVITIES.—

7           “(1) IN GENERAL.—The Secretary, in consulta-  
8           tion with the appropriate Committee, shall develop  
9           for each State a list of approved forest activities and  
10          practices eligible for cost-share assistance under the  
11          initiative.

12          “(2) TYPES OF ACTIVITIES.—Approved activi-  
13          ties and practices under paragraph (1) shall consist  
14          of activities and practices to establish, restore, man-  
15          age, maintain, and enhance forests and trees  
16          through—

17               “(A) the establishment, management,  
18               maintenance, and restoration of forests for  
19               shelterbelts, windbreaks, aesthetic quality, and  
20               other conservation purposes;

21               “(B) the sustainable growth and manage-  
22               ment of forests for timber production;

23               “(C) the restoration, use, and enhance-  
24               ment of forest wetland and riparian areas;

1           “(D) the protection of water quality and  
2 watersheds through—

3           “(i) the application of State-developed  
4 forestry best management practices; and

5           “(ii) the planting of trees in riparian  
6 areas;

7           “(E) the preservation of habitat for flora  
8 and fauna;

9           “(F) the enhanced management and main-  
10 tenance of native vegetation on land vital to  
11 water quality;

12           “(G)(i) the control, detection, monitoring,  
13 and prevention of the spread of invasive species  
14 and pests on forest land; and

15           “(ii) the provision of resources for the res-  
16 toration of forest land affected by invasive spe-  
17 cies and pests;

18           “(H) the conduct of other management ac-  
19 tivities, such as the reduction of hazardous fuel  
20 use, that reduce the risks to forests posed by,  
21 and that restore, recover, and mitigate the dam-  
22 age to forests caused by, fire;

23           “(I) the development of management  
24 plans;

1           “(J) the management or development of  
2           fish and wildlife habitat;

3           “(K) the acquisition of permanent ease-  
4           ments to maintain forest cover; and

5           “(L) the conduct of other activities ap-  
6           proved by the Secretary, in coordination with  
7           the appropriate Committees.

8           “(h) COOPERATION.—In implementing the initiative,  
9           the Secretary shall cooperate with—

10           “(1) other Federal, State, and local natural re-  
11           source management agencies;

12           “(2) Committees;

13           “(3) institutions of higher education; and

14           “(4) the private sector.

15           “(i) COST SHARING.—

16           “(1) IN GENERAL.—An owner may receive cost-  
17           share assistance from the Secretary, as the Sec-  
18           retary determines appropriate, for the cost of—

19           “(A) developing a management plan; and

20           “(B) implementing approved projects and  
21           activities in accordance with the management  
22           plan.

23           “(2) RATE; SCHEDULE.—The Secretary shall  
24           determine the rate and timing of cost-share pay-  
25           ments.

1 “(3) AMOUNT.—

2 “(A) PERCENTAGE OF COST.—Subject to  
3 subparagraph (B), a cost-share payment shall  
4 not exceed the lesser of an amount equal to—

5 “(i) 75 percent of the total cost of im-  
6 plementing the project or activity; or

7 “(ii) such lesser percentage of the  
8 total cost of implementing the project or  
9 activity as is determined by the appro-  
10 priate State forester.

11 “(B) AGGREGATE PAYMENT LIMIT.—The  
12 Secretary shall determine the maximum aggre-  
13 gate amount of cost-share payments that an  
14 owner may receive under this section.

15 “(j) FAILURE TO COMPLY.—

16 “(1) IN GENERAL.—The Secretary shall estab-  
17 lish a procedure to recoup cost-share payments made  
18 to an owner under this section in any case in which  
19 the owner fails to implement a project or activity in  
20 accordance with the management plan.

21 “(2) ADDITIONAL AUTHORITY.—The authority  
22 under paragraph (1) is in addition to any other au-  
23 thority available to the Secretary.



1       “(k) DISTRIBUTION.—The Secretary shall distribute  
2 funds available for cost sharing under the initiative among  
3 States only after considering—

4           “(1) the total acreage of nonindustrial private  
5 forest land in each State that is environmentally  
6 fragile (considering the objectives of the initiative as  
7 described in subsection (e));

8           “(2) the potential productivity of that land;

9           “(3) the number of owners eligible for cost  
10 sharing in each State;

11          “(4) the opportunities to enhance nontimber re-  
12 sources on that land;

13          “(5) the anticipated demand for timber and  
14 nontimber resources in each State;

15          “(6) the need to improve forest health to mini-  
16 mize the damaging effects of catastrophic fire, in-  
17 sects, disease, or weather;

18          “(7) the need and demand for agroforestry  
19 practices in each State;

20          “(8) the need to maintain and enhance the for-  
21 est landbase; and

22          “(9) the need for afforestation, reforestation,  
23 and timber stand improvement.

24       “(l) COMMODITY CREDIT CORPORATION.—

1           “(1) IN GENERAL.—The Secretary shall use the  
2           funds, facilities, and authorities of the Commodity  
3           Credit Corporation to carry out this section.

4           “(2) FUNDING.—Of the funds of the Com-  
5           modity Credit Corporation, the Secretary shall make  
6           available to carry out this section \$70,000,000 for  
7           each of fiscal years 2003 through 2006.”.

## 8                           **TITLE IX—ENERGY**

### 9   **SEC. 901. CARBON SEQUESTRATION DEMONSTRATION PRO-** 10                           **GRAM.**

11           (a) FINDINGS.—Congress finds that—

12                   (1) greenhouse gas emissions resulting from  
13           human activity present potential risks and potential  
14           opportunities for production agriculture;

15                   (2) there is a need to identify cost-effective  
16           methods that can be used in the agricultural and  
17           forestry sectors to reduce the threat of climate  
18           change;

19                   (3) deforestation and other land use changes  
20           account for approximately 1,600,000,000 of the  
21           7,900,000,000 metric tons of the average annual  
22           worldwide quantity of carbon emitted during the  
23           1990s;

24                   (4) ocean and terrestrial systems each seques-  
25           tered approximately 2,300,000,000 metric tons of

1 carbon annually, resulting in a sequestration of 60  
2 percent of the annual human-induced emissions of  
3 carbon during the 1990s;

4 (5) there are opportunities for increasing the  
5 quantity of carbon that can be stored in terrestrial  
6 systems through improved, human-induced agricul-  
7 tural and forestry practices;

8 (6) increasing the carbon content of soil helps  
9 to reduce erosion, reduce flooding, minimize the ef-  
10 fects of drought, prevent nutrients and pesticides  
11 from washing into water bodies, and contribute to  
12 water infiltration, air and water holding capacity,  
13 and good seed germination and plant growth;

14 (7) tree planting and wetland restoration could  
15 play a major role in sequestering carbon and reduc-  
16 ing greenhouse gas concentrations in the atmos-  
17 phere;

18 (8) nitrogen management is a cost-effective  
19 method of addressing nutrient overenrichment in the  
20 estuaries of the United States and of reducing emis-  
21 sions of nitrous oxide;

22 (9) animal feed and waste management can be  
23 cost-effective methods to address water quality  
24 issues and reduce emissions of methane; and

25 (10) there is a need to—

1 (A) demonstrate that carbon sequestration  
 2 in soils, plants, and forests and reductions in  
 3 greenhouse gas emissions through nitrogen and  
 4 animal feed and waste management can be  
 5 measured and verified; and

6 (B) develop and refine quantification,  
 7 verification, and auditing methodologies for car-  
 8 bon sequestration and greenhouse gas emission  
 9 reductions on a project by project basis.

10 (b) AMENDMENT.—Title IV of the Agricultural Re-  
 11 search, Extension, and Education Reform Act of 1998 (7  
 12 U.S.C. 7621 et seq.) is amended by adding at the end  
 13 the following:

14 **“SEC. 409. CARBON SEQUESTRATION DEMONSTRATION**  
 15 **PROGRAM.**

16 “(a) DEFINITIONS.—In this section:

17 “(1) ELIGIBLE PROJECT.—The term ‘eligible  
 18 project’ means a project that is likely to result in—

19 “(A) demonstrable reductions in net emis-  
 20 sions of greenhouse gases; or

21 “(B) demonstrable net increases in the  
 22 quantity of carbon sequestered in soils and for-  
 23 ests.

24 “(2) ENVIRONMENTAL TRADE.—The term ‘en-  
 25 vironmental trade’ means a transaction between an

1 emitter of a greenhouse gas and an agricultural pro-  
 2 ducer under which the emitter pays to the agricul-  
 3 tural producer a fee to sequester carbon or otherwise  
 4 reduce emissions of greenhouse gases.

5 “(3) PANEL.—The term ‘panel’ means the  
 6 panel of experts established under subsection  
 7 (b)(4)(A).

8 “(4) SECRETARY.—The term ‘Secretary’ means  
 9 the Secretary of Agriculture, acting in consultation  
 10 with—

11 “(A) the Under Secretary of Agriculture  
 12 for Natural Resources and Environment;

13 “(B) the Under Secretary of Agriculture  
 14 for Research, Education, and Economics;

15 “(C) the Chief Economist of the Depart-  
 16 ment; and

17 “(D) the panel.

18 “(b) DEMONSTRATION PROGRAM.—

19 “(1) ESTABLISHMENT.—The Secretary shall es-  
 20 tablish a program to provide grants, on a competi-  
 21 tive, cost-shared basis, to agricultural producers to  
 22 assist in paying the costs incurred in measuring, es-  
 23 timating, monitoring, verifying, auditing, and testing  
 24 methodologies involved in environmental trades (in-

cluding costs incurred in employing independent third persons to carry out those activities).

“(2) CONDITIONS FOR RECEIPT OF GRANT.—As a condition of the acceptance of a grant under paragraph (1), an agricultural producer shall—

“(A) establish a carbon and greenhouse gas monitoring, verification, and reporting system that meets such requirements as the Secretary shall prescribe; and

“(B) under the system and through the use of an independent third party for any necessary monitoring, verifying, reporting, and auditing, measure and report to the Secretary the quantity of carbon sequestered, or the quantity of greenhouse gas emissions reduced, as a result of the conduct of an eligible project.

“(3) CRITERIA FOR AWARD OF GRANT.—

“(A) IN GENERAL.—In awarding a grant for an eligible project under paragraph (1), the Secretary shall take into consideration—

“(i) the likelihood of the eligible project in succeeding in achieving greenhouse gas emissions reductions and net carbon sequestration increases; and

1           “(ii) the usefulness of the information  
2           to be obtained from the eligible project in  
3           determining how best to quantify, monitor,  
4           and verify sequestered carbon or reduc-  
5           tions in greenhouse gas emissions.

6           “(B) PRIORITY CRITERIA.—The Secretary  
7           shall give priority in awarding a grant under  
8           paragraph (1) to an eligible project that—

9           “(i) involves multiple parties, a whole  
10          farm approach, or any other approach,  
11          such as the aggregation of land areas, that  
12          would—

13               “(I) increase the environmental  
14               benefits or reduce the transaction  
15               costs of the eligible project; and

16               “(II) reduce the costs of meas-  
17               uring, monitoring, and verifying any  
18               net sequestration of carbon or net re-  
19               duction in greenhouse gas emissions;

20               “(ii) is designed to achieve long-term  
21               sequestration of carbon or long-term re-  
22               ductions in greenhouse gas emissions;

23               “(iii) is designed to address concerns  
24               concerning leakage;

1 “(iv) provides certain other benefits,  
2 such as improvements in—

3 “(I) soil fertility;

4 “(II) wildlife habitat;

5 “(III) water quality;

6 “(IV) soil erosion management;

7 and

8 “(V) the use of renewable re-  
9 sources to produce energy; or

10 “(v) does not involve the reforestation  
11 of land that has been deforested since  
12 1990.

13 “(4) PANEL.—

14 “(A) IN GENERAL.—The Secretary shall  
15 establish a panel to provide advice and rec-  
16 ommendations to the Secretary with respect to  
17 criteria for awarding grants under this sub-  
18 section.

19 “(B) COMPOSITION.—The panel shall be  
20 composed of the following representatives, to be  
21 appointed by the Secretary:

22 “(i) Experts from each of—

23 “(I) the Department;

24 “(II) the Environmental Protec-  
25 tion Agency; and



1 “(III) the Department of Energy.

2 “(ii) Experts from nongovernmental  
3 and academic entities.

4 “(5) PAYMENT OF GRANT FUNDS.—The Sec-  
5 retary shall provide a grant awarded under this sec-  
6 tion in such number of installments as is necessary  
7 to ensure proper implementation of an eligible  
8 project.

9 “(c) METHODOLOGY GRANT PROGRAM.—

10 “(1) ESTABLISHMENT.—The Secretary shall es-  
11 tablish a program to provide grants to determine the  
12 best methodologies for estimating and measuring in-  
13 creases or decreases in—

14 “(A) agricultural greenhouse gas emis-  
15 sions; and

16 “(B) the quantity of carbon sequestered in  
17 soils and forests.

18 “(2) ELIGIBLE RECIPIENTS.—The Secretary  
19 shall award a grant under paragraph (1), on a com-  
20 petitive basis, to a college or university, or other re-  
21 search institution, that seeks to demonstrate the via-  
22 bility of a methodology described in paragraph (1).

23 “(d) DISSEMINATION OF INFORMATION.—As soon as  
24 practicable after the date of enactment of this section, the  
25 Secretary shall establish an Internet site through which

1 agricultural producers may obtain information  
2 concerning—

3 “(1) potential environmental trades; and

4 “(2) activities of the Secretary under this sec-  
5 tion.

6 “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
7 is authorized to be appropriated to carry out this section  
8 \$20,000,000 for each of fiscal years 2002 through 2006.

9 **“SEC. 410. PROCUREMENT AND TESTING OF BIOBASED**  
10 **PRODUCTS.**

11 “(a) IN GENERAL.—The Secretary, in consultation  
12 with the heads of other Federal agencies, shall establish  
13 a program to require Federal agencies to purchase  
14 biobased products that the Secretary determines are—

15 “(1) environmentally preferable; and

16 “(2) comparable to nonbiobased products in  
17 price, availability, and performance.

18 “(b) GRANTS.—The Secretary may make grants to  
19 eligible persons (as determined by the Secretary) to assist  
20 in collecting data concerning testing of, and performing  
21 lifecycle analyses of, biobased products for use in making  
22 the determination under subsection (a).

23 “(c) AUTHORIZATION OF APPROPRIATIONS.—There  
24 is authorized to be appropriated to carry out this section  
25 \$500,000 for each of fiscal years 2003 through 2006.”.

## **Subtitle A—Agriculture Infrastructure Security**

### **SEC. 1001. AGRICULTURE INFRASTRUCTURE SECURITY**

#### **FUND.**

##### **(a) DEFINITIONS.—**

**(1) DEPARTMENT.**—The term “Department” means the Department of Agriculture.

**(2) FUND.**—The term “Fund” means the Agriculture Infrastructure Security Fund Account established by subsection (b).

**(3) SECRETARY.**—The term “Secretary” means the Secretary of Agriculture.

**(b) ESTABLISHMENT.**—There is established in the Treasury of the United States an account, to be known as the “Agriculture Infrastructure Security Fund Account”, consisting of funds appropriated or transferred to the Fund under subsection (d).

**(c) PURPOSES.**—The purposes of the Fund are to provide funding to protect and strengthen the Federal food safety and agricultural infrastructure that—

**(1)** safeguards against animal and plant diseases and pests;

**(2)** ensures the safety of the food supply; and

**(3)** ensures sound science in support of food and agricultural policy.

1 (d) DEPOSITS INTO FUND.—

2 (1) INITIAL APPROPRIATION.—

3 (A) IN GENERAL.—Out of any moneys in  
4 the Treasury not otherwise appropriated, there  
5 is appropriated to the Fund \$400,000,000 for  
6 fiscal year 2002.

7 (B) ENTITLEMENT.—The Secretary—

8 (i) shall be entitled to receive the  
9 funds referred to in subparagraph (A); and

10 (ii) shall accept the funds.

11 (2) SUBSEQUENT AUTHORIZATION OF APPRO-  
12 PRIATIONS.—There are authorized to be appro-  
13 priated to the Fund such sums as are necessary for  
14 each of fiscal years 2003 through 2006.

15 (3) CONTRIBUTIONS AND OTHER PROCEEDS.—  
16 The Secretary shall deposit into the Fund any funds  
17 received—

18 (A) as proceeds from the sale of assets  
19 under subsection (f); or

20 (B) as gifts under subsection (g).

21 (4) AVAILABILITY OF FUNDS.—Amounts in the  
22 Fund shall remain available until expended without  
23 further Act of appropriation.

24 (e) EXPENDITURES FROM FUND.—

1           (1) IN GENERAL.—Subject to paragraph (2), on  
2       request by the Secretary, the Secretary of the Treas-  
3       ury shall transfer from the Fund to the Secretary,  
4       without further appropriation, such amounts as the  
5       Secretary determines to be necessary to pay—

6           (A) the costs of planning, design, develop-  
7       ment, construction, acquisition, modernization,  
8       leasing, and disposal of facilities, equipment,  
9       and technology used by the Department in car-  
10      rying out programs relating to the purposes  
11      specified in subsection (c), notwithstanding the  
12      Federal Property and Administrative Services  
13      Act of 1949 (40 U.S.C. 471 et seq.) or any  
14      other law that prescribes procedures for the  
15      procurement, use, or disposal of property or  
16      services by a Federal agency;

17          (B) the costs of acquisition of specialized  
18      services relating to the purposes specified in  
19      subsection (c); and

20          (C) notwithstanding chapter 63 of title 31,  
21      United States Code, the costs of entering into  
22      cooperative arrangements with State, local and  
23      tribal governments, and other public and pri-  
24      vate entities, to carry out programs relating to  
25      the purposes specified in subsection (c).

1           (2) LIMITATIONS.—

2           (A) FEDERAL EMPLOYEES.—Amounts in  
3           the Fund shall not be used to create any new  
4           full or part-time permanent Federal employee  
5           position.

6           (B) ADMINISTRATIVE EXPENSES.—For  
7           any fiscal year, not more than 1 percent of the  
8           amounts remaining in the Fund may be used  
9           for administrative expenses of the Secretary in  
10          carrying out the activities described in para-  
11          graph (1).

12       (f) SALE OF ASSETS.—

13           (1) DISPOSAL AUTHORITY.—Notwithstanding  
14          the Federal Property and Administrative Services  
15          Act of 1949 (40 U.S.C. 471 et seq.), the Secretary  
16          by sale may dispose of all or any part of any right  
17          or title in land (excluding National Forest System  
18          land), facilities, or equipment in the custody of the  
19          Department (including land and facilities at the  
20          Beltsville Agricultural Research Center) used for the  
21          purposes specified in subsection (c).

22           (2) DISPOSITION OF PROCEEDS.—Proceeds  
23          from any sale conducted by the Secretary under  
24          paragraph (1) shall be deposited into the Fund in  
25          accordance with subsection (d)(3)(A).

1 (g) GIFTS.—

2 (1) IN GENERAL.—To carry out the purposes  
3 specified in subsection (c), the Secretary may accept  
4 gifts (including bequests) of funds, property, equip-  
5 ment, services, and other in-kind contributions from  
6 State, local, and tribal governments, colleges and  
7 universities, individuals, and other public and private  
8 entities.

9 (2) PROHIBITED SOURCE.—

10 (A) IN GENERAL.—For the purposes of  
11 this subsection, the Secretary shall not consider  
12 a State or local government, Indian tribe (as  
13 defined in section 4 of the Indian Self-Deter-  
14 mination and Education Assistance Act (25  
15 U.S.C. 450b)), other public entity, or college or  
16 university, to be a prohibited source under any  
17 Department rule or policy that prohibits the ac-  
18 ceptance of gifts from individuals and entities  
19 that do business with the Department.

20 (B) EXCEPTION.—Notwithstanding any  
21 Department rule or policy that prohibits the ac-  
22 ceptance of gifts by the Department from indi-  
23 viduals or private entities that do business with  
24 the Department or that, for any other reason,  
25 are considered to be prohibited sources, the

1 Secretary may accept gifts under this sub-  
 2 section if the Secretary determines that it is in  
 3 the public interest to accept the gift.

4 (3) DISPOSITION OF GIFTS.—The Secretary  
 5 shall deposit any gift of funds under this subsection  
 6 into the Fund in accordance with subsection  
 7 (d)(3)(B).

8 **SEC. 1002. AGRICULTURE INFRASTRUCTURE SECURITY**  
 9 **COMMISSION.**

10 (a) DEFINITIONS.—In this section:

11 (1) AGRICULTURAL RESEARCH FACILITY.—The  
 12 term “agricultural research facility” means a  
 13 facility—

14 (A) at which agricultural research is regu-  
 15 larly carried out or proposed to be carried out;  
 16 and

17 (B) that is—

18 (i)(I) an Agricultural Research Serv-  
 19 ice facility; or

20 (II) a Forest Service facility;

21 (ii) a Federal agricultural facility in  
 22 the process of being planned or being con-  
 23 structed; or

24 (iii) any other facility under the juris-  
 25 diction of the Secretary.



1           (2) COMMISSION.—The term “Commission”  
 2       means the Agriculture Infrastructure Security Com-  
 3       mission established under subsection (b).

4           (3) DEPARTMENT.—The term “Department”  
 5       means the Department of Agriculture.

6           (4) SECRETARY.—The term “Secretary” means  
 7       the Secretary of Agriculture.

8       (b) ESTABLISHMENT OF COMMISSION.—The Sec-  
 9       retary shall establish a commission to be known as the  
 10      “Agriculture Infrastructure Security Commission” to  
 11      carry out the duties described in subsection (g).

12      (c) MEMBERSHIP.—

13           (1) APPOINTMENT.—

14               (A) VOTING MEMBERS.—

15                   (i) IN GENERAL.—The Commission  
 16                   shall be composed of 15 voting members,  
 17                   appointed by the Secretary in accordance  
 18                   with clause (ii), based on nominations so-  
 19                   licitated from the public.

20                   (ii) QUALIFICATIONS.—The Secretary  
 21                   shall appoint members that—

22                       (I) represent a balance of the  
 23                       public and private sectors; and

24                       (II) have expertise in—

- 1 (aa) facilities development,
- 2 modernization, construction, se-
- 3 curity, consolidation, and closure;
- 4 (bb) plant diseases and
- 5 pests;
- 6 (cc) animal diseases and
- 7 pests;
- 8 (dd) food safety;
- 9 (ee) biosecurity;
- 10 (ff) the needs of farmers
- 11 and ranchers;
- 12 (gg) public health;
- 13 (hh) State, local, and tribal
- 14 government; and
- 15 (ii) any other area related to
- 16 agriculture infrastructure secu-
- 17 rity, as determined by the Sec-
- 18 retary.

19 (B) NONVOTING MEMBERS.—The Commis-

20 sion shall be composed of the following non-

21 voting members:

- 22 (i) The Secretary.
- 23 (ii) 4 representatives appointed by the
- 24 Secretary of Health and Human Services
- 25 from—

- 1 (I) the Public Health Service;  
2 (II) the National Institutes of  
3 Health;  
4 (III) the Centers for Disease  
5 Control and Prevention; and  
6 (IV) the Food and Drug Admin-  
7 istration.

- 8 (iii) 1 representative appointed by the  
9 Attorney General.  
10 (iv) 1 representative appointed by the  
11 Director of Homeland Security.

- 12 (v) Not more than 4 representatives  
13 of the Department appointed by the Sec-  
14 retary.

15 (2) DATE OF APPOINTMENT.—The appointment  
16 of a member of the Commission shall be made not  
17 later than 90 days after the date of enactment of  
18 this Act.

19 (d) TERM; VACANCIES.—

20 (1) TERM.—The term of office of a member of  
21 the Commission shall be 4 years, except that the  
22 members initially appointed shall be appointed to  
23 serve staggered terms (as determined by the Sec-  
24 retary).

1           (2) VACANCIES.—A vacancy on the Commission  
2       shall be filled in the same manner as the original ap-  
3       pointment was made.

4       (e) MEETINGS.—

5           (1) IN GENERAL.—The Commission shall meet  
6       at the call of—

7           (A) the Chairperson;

8           (B) a majority of the voting members of  
9       the Commission; or

10          (C) the Secretary.

11       (2) FEDERAL ADVISORY COMMITTEE ACT.—

12           (A) IN GENERAL.—The Federal Advisory  
13       Committee Act (5 U.S.C. App.) and title XVIII  
14       of the Food and Agriculture Act of 1977 (7  
15       U.S.C. 2281 et seq.) shall not apply to the  
16       Commission.

17           (B) OPEN MEETINGS; RECORDS.—Subject  
18       to subparagraph (C)—

19           (i) a meeting of the Commission shall  
20       be—

21           (I) publicly announced in ad-  
22       vance; and

23           (II) open to the public; and

24       (ii) the Commission shall—

1 (I) keep detailed minutes of each  
2 meeting and other appropriate records  
3 of the activities of the Commission;  
4 and

5 (II) make the minutes and  
6 records available to the public on re-  
7 quest.

8 (C) EXCEPTION.—When required in the  
9 interest of national security—

10 (i) the Chairperson may choose not to  
11 give public notice of a meeting;

12 (ii) the Chairperson may close all or a  
13 portion of any meeting to the public, and  
14 the minutes of the meeting, or portion of  
15 a meeting, shall not be made available to  
16 the public; and

17 (iii) by majority vote, the Commission  
18 may redact the minutes of a meeting that  
19 was open to the public.

20 (f) CHAIRPERSON.—The Secretary shall select a  
21 Chairperson from among the voting members of the Com-  
22 mission.

23 (g) DUTIES.—

24 (1) IN GENERAL.—The Commission shall—

1 (A) advise the Secretary on the uses of the  
2 Agriculture Infrastructure Security Fund estab-  
3 lished by section 1001;

4 (B) review all agricultural research facili-  
5 ties for—

6 (i) research importance; and

7 (ii) importance to agriculture infra-  
8 structure security;

9 (C) identify any agricultural research facil-  
10 ity that should be closed, realigned, consoli-  
11 dated, or modernized to carry out the research  
12 agenda of the Secretary and protect agriculture  
13 infrastructure security;

14 (D) develop recommendations concerning  
15 agricultural research facilities; and

16 (E)(i) evaluate the agricultural research  
17 facilities acquisition and modernization system  
18 (including acquisitions by gift, grant, or any  
19 other form of agreement) used by the Depart-  
20 ment; and

21 (ii) based on the evaluation, recommend  
22 improvements to the system.

23 (2) STRATEGIC PLAN.—To assist the Commis-  
24 sion in carrying out the duties described in para-  
25 graph (1), the Commission shall use the 10-year

1 strategic plan prepared by the Strategic Planning  
2 Task Force established under section 4 of the Re-  
3 search Facilities Act (7 U.S.C. 390b).

4 (3) REPORT.—

5 (A) IN GENERAL.—Not later than 240  
6 days after the date of enactment of this Act,  
7 and each June 1 thereafter, the Commission  
8 shall prepare and submit to the Secretary, the  
9 Committee on Agriculture and the Committee  
10 on Appropriations of the House of Representa-  
11 tives, and the Committee on Agriculture, Nutri-  
12 tion, and Forestry and the Committee on Ap-  
13 propriations of the Senate, a report on the find-  
14 ings and recommendations under paragraph  
15 (1).

16 (B) WRITTEN RESPONSE.—Not later than  
17 90 days after the date of receipt of a report  
18 from the Commission under subparagraph (A),  
19 the Secretary shall provide to the Commission  
20 a written response concerning the manner and  
21 extent to which the Secretary will implement  
22 the recommendations in the report.

23 (C) PUBLIC AVAILABILITY.—

24 (i) IN GENERAL.—Subject to clause

25 (ii), the report submitted by the Commis-

1           sion, and any response made by the Sec-  
2           retary, under this subsection shall be avail-  
3           able to the public.

4           (ii) EXCEPTION.—

5                 (I) NATIONAL SECURITY.—The  
6           Commission or the Secretary may de-  
7           termine that any report or response,  
8           or any portion of a report or response,  
9           shall not be publicly released in the  
10          interest of national security.

11                (II) FREEDOM OF INFORMATION  
12          ACT.—Upon such a determination, the  
13          report or response, a portion of the  
14          report or response, or any records re-  
15          lating to the report or response, shall  
16          not be released under section 552 of  
17          title 5, United States Code.

18       (h) COMMISSION PERSONNEL MATTERS.—

19               (1) COMPENSATION OF MEMBERS.—

20                (A) NON-FEDERAL EMPLOYEES.—A voting  
21          member of the Commission who is not a regular  
22          full-time employee of the Federal Government  
23          shall, while attending meetings of the Commis-  
24          sion or otherwise engaged in the business of the  
25          Commission (including travel time), be entitled



1 to receive compensation at a rate fixed by the  
2 Secretary, but not exceeding the daily equiva-  
3 lent of the annual rate specified at the time of  
4 such service under GS-15 of the General  
5 Schedule established under section 5332 of title  
6 5, United States Code.

7 (B) TRAVEL EXPENSES.—A voting mem-  
8 ber of the Commission shall be allowed travel  
9 expenses, including per diem in lieu of subsist-  
10 ence, at rates authorized for an employee of an  
11 agency under subchapter I of chapter 57 of title  
12 5, United States Code, while away from the  
13 home or regular place of business of the mem-  
14 ber in the performance of the duties of the  
15 Commission.

16 (2) STAFF.—The Secretary shall provide the  
17 Commission with any personnel and other resources  
18 as the Secretary determines appropriate.

19 (i) AUTHORIZATION OF APPROPRIATIONS.—

20 (1) FISCAL YEAR 2002.—For the purpose of es-  
21 tablishing the Commission, the Secretary shall use,  
22 for fiscal year 2002, such sums from the Agriculture  
23 Infrastructure Security Fund established by section  
24 1001 as the Secretary determines to be appropriate.

1           (2) FISCAL YEARS 2003 THROUGH 2006.—There  
 2           are authorized to be appropriated to carry out this  
 3           section such sums as are necessary for each of fiscal  
 4           years 2002 through 2006.

5   **Subtitle B—Outreach and Assist-**  
 6       **ance for Socially Disadvantaged**  
 7       **Farmers and Ranchers**

8   **SEC. 1011. OUTREACH AND ASSISTANCE FOR SOCIALLY DIS-**  
 9       **ADVANTAGED FARMERS AND RANCHERS.**

10       Section 2501 of the Food, Agriculture, Conservation,  
 11      and Trade Act of 1990 (7 U.S.C. 2279) is amended by  
 12      striking subsection (a) and inserting the following:

13       “(a) OUTREACH AND ASSISTANCE.—

14           “(1) DEFINITIONS.—In this subsection:

15               “(A) DEPARTMENT.—The term ‘Depart-

16               ment’ means the Department of Agriculture.

17               “(B) ELIGIBLE ENTITY.—The term ‘eligi-

18               ble entity’ means—

19                   “(i) any community-based organiza-

20                   tion, network, or coalition of community-

21                   based organizations that—

22                       “(I) has demonstrated experience

23                       in providing agricultural education or

24                       other agriculturally related services to

1 socially disadvantaged farmers and  
2 ranchers;

3 “(II) provides documentary evi-  
4 dence of work with socially disadvan-  
5 tagged farmers and ranchers during  
6 the 2-year period preceding the sub-  
7 mission of an application for assist-  
8 ance under this subsection; and

9 “(III) does not engage in activi-  
10 ties prohibited under section  
11 501(c)(3) of the Internal Revenue  
12 Code of 1986;

13 “(ii)(I) a land-grant college or univer-  
14 sity (as defined in section 1404 of the Na-  
15 tional Agricultural Research, Extension,  
16 and Teaching Policy Act of 1977 (7 U.S.C.  
17 3103));

18 “(II) an Indian tribal community col-  
19 lege;

20 “(III) an Alaska Native cooperative  
21 college;

22 “(IV) a Hispanic-serving institution  
23 (as defined in section 1404 of the National  
24 Agricultural Research, Extension, and

1 Teaching Policy Act of 1977 (7 U.S.C.  
2 3103)); and

3 “(V) any other institution of higher  
4 education (as defined in section 101 of the  
5 Higher Education Act of 1965 (20 U.S.C.  
6 1001)) that has demonstrated experience  
7 in providing agriculture education or other  
8 agriculturally related services to socially  
9 disadvantaged farmers and ranchers in a  
10 region; and

11 “(iii) an Indian tribe (as defined in section  
12 4 of the Indian Self-Determination and Edu-  
13 cation Assistance Act (25 U.S.C. 450b)) or a  
14 national tribal organization that has dem-  
15 onstrated experience in providing agriculture  
16 education or other agriculturally related serv-  
17 ices to socially disadvantaged farmers and  
18 ranchers in a region.

19 “(C) SECRETARY.—The term ‘Secretary’  
20 means the Secretary of Agriculture.

21 “(2) PROGRAM.—The Secretary shall carry out  
22 an outreach and technical assistance program to en-  
23 courage and assist socially disadvantaged farmers  
24 and ranchers—

1           “(A) in owning and operating farms and  
2           ranches; and

3           “(B) in participating equitably in the full  
4           range of agricultural programs offered by the  
5           Department.

6           “(3) REQUIREMENTS.—The outreach and tech-  
7           nical assistance program under paragraph (2)  
8           shall—

9           “(A) enhance coordination of the outreach,  
10          technical assistance, and education efforts au-  
11          thorized under various agriculture programs;  
12          and

13          “(B) include information on and assistance  
14          with—

15               “(i) commodity, conservation, credit,  
16               rural, and business development programs;

17               “(ii) application and bidding proce-  
18               dures;

19               “(iii) farm and risk management;

20               “(iv) marketing; and

21               “(v) other activities essential to par-  
22               ticipation in agricultural and other pro-  
23               grams of the Department.

24          “(4) GRANTS AND CONTRACTS.—The Secretary  
25          may make grants to, and enter into contracts and

1       other agreements with, an eligible entity to provide  
2       information and technical assistance under this sub-  
3       section.

4               “(5) FUNDING.—There is authorized to be ap-  
5       propriated to carry out this subsection, \$25,000,000  
6       for each fiscal year.”.

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